JUST THE FACTS.

The Regional Transportation Authority (RTA) was established in 1974 upon the approval of a referendum in its six-county northeastern Illinois region. The RTA is a unit of local government, body politic, political subdivision and municipal corporation of the State of Illinois. The RTA is responsible for the financial oversight of the region's three public transit operators: the Chicago Transit Authority (CTA), Metra commuter rail and Pace suburban bus. The RTA is also charged with the oversight of planning issues that affect public transit in the six-county region.

WE'VE CREATED FINANCIAL STABILITY.

Nearly 2 million times each weekday, our region's residents rely on the RTA system to get them where they are going. They rely on the CTA, Metra and Pace buses and trains to get them to their destinations on time. That's a fact.

Our troubled economy only highlights the value of the service provided by the RTA system. Without the financial stability provided through the RTA's oversight of the region's transit system, the reliability of our transit services would be constantly in question.

And while other government agencies have been forced to cut programs and services, the RTA, CTA, Metra and Pace have continued to maintain, expand and improve our region's transit system.

How? We forecast a sales tax shortfall two years ago and counseled prudent management of our resources. As a result, the RTA has enabled the CTA, Metra and Pace to avoid operating shortfalls brought on by lower sales tax receipts by utilizing reserve funds set aside in good economic times. Without such foresight, stable and reliable transit service would not have been possible.

The stability and essentiality of our transit system have resulted in high marks from the nation's three largest bond rating agencies. The RTA's AA bond rating, the highest of any transit system in the nation, has helped us achieve a capital spending program for 2002 in excess of $1 billion. The bonding authority provided through Illinois FIRST has been put to work rebuilding our system, providing new vehicles, and reconstructing and expanding rail lines.

The RTA as it exists today is working and will continue to work for our region. It provides financial stability and a regional perspective for our transit system and has done so for the past 20 years. That's a fact.

But we are not without challenges. The RTA will continue to do everything possible to minimize the effects of a poor economy while performing our legal duty to ensure fiscally responsible budgeting. With continued oversight that emphasizes fiscal responsibility, the RTA and the region's transit operators will be able to carry this success forward. That's a fact.

Sincerely,

Thomas J. McCracken, Jr.
Chairman

457.3 million rides were provided by CTA buses and trains in 2002 for the fifth straight year of ridership gains. Ridership on the CTA system has steadily rebounded since all-time lows in 1997. A strong capital improvement program and a renewed focus on providing on-time, clean, safe and friendly service have helped the CTA restore customer confidence and gain riders. In fact, a CTA-commissioned survey in 2002 showed that 85 percent of the CTA's riders were satisfied with the level of service they receive.

143 bus routes provide service throughout Chicago and 38 suburbs that border the city. In 2002, the CTA awarded a contract to Clever Devices Ltd. to install an automated announcement system on all its buses that will be used to announce and visually display next stop, route number and destination information. Since 1998, the CTA has made service improvements on 50 percent of its routes, including the addition of 13 new routes. The CTA has also improved access for persons with disabilities, and 88 percent of its routes are now served by accessible vehicles.

12 thousand bus stops mean that travel by the CTA is just steps away for millions of Chicago residents. In 2002, the CTA completed the purchase of 448 Nova buses. The CTA also initiated the purchase of 226 articulated buses and 25 fiberglass, low-emission Compobuses as part of its commitment to the replacement and rehabilitation of its fleet. By the mid-1990s, an aging bus fleet had impacted the CTA's service reliability and ridership. Investment in buses and shelters has increased customer satisfaction and ridership.

7 rail lines carried more than 504,000 passengers every weekday in 2002. Since 1998, the CTA has improved service and safety on all its rail lines, expanding service hours on both the Orange and Purple lines in 2002 and undertaking major improvement projects on its Blue and Brown lines. An ongoing program of station improvements and a pilot project using cameras to monitor station activity are creating a safe and secure environment for CTA riders. Comfort and reliability are being addressed through rail car rehabilitation and new car purchases.

CTA. 2002 marked significant progress on the CTA's reconstruction of the 100-year-old Douglas Branch of the Blue Line. Eight stations, including the Pulaski Station (above), began reconstruction in 2002. The Blue Line project continues to be on budget and on time, showing the CTA's effective management of its capital program. When the project is completed in 2005, all eight stations will be accessible to persons with disabilities, five miles of new track will be laid on a new elevated structure, and the line's power and signal systems will be upgraded. The CTA expects these improvements to reduce travel time on the entire Douglas Branch by 10 minutes and expects ridership on this line, which has declined by 50 percent over the past two decades, to rebound accordingly.

228 stations

228 stations provide access to communities across northeastern Illinois. These stations have long been more than just a commuter convenience and are often closely identified with a community's history, with some depots dating to the 1850s. Among the station projects completed in 2002 were a parking addition in Richton Park, the rehabilitation of the historic 111th Street Morgan Park station and construction of the new Prospect Heights station. Since 1998, Metra has spent $230 million on station improvements.

cover more than 500 miles of passenger service in northeast Illinois and that number is about to increase. Metra is currently involved in the largest expansion program in its history, overseeing work on three federal New Start projects. Federal dollars and local matching funds from Illinois FIRST will provide $558 million for Metra's first major expansions since the North Central Service (NCS) began operation in 1996. In 2002, Metra awarded contracts for the Southwest Service and UP West Line extensions and the capacity expansion of the NCS.

1,134 rail cars and locomotives

The North Central Service began operations in August 1996, becoming the region's first new commuter rail service in 70 years. The line, which operates between Antioch and Franklin Park on 40 miles of single-track Canadian National right-of-way, is currently restricted to 10 trains per day. Federal New Start funds and Illinois FIRST are paying for the $225 million project which will allow Metra to expand capacity to up to 22 trains per day by adding main track and upgrading signals, thereby benefiting both passenger and freight traffic. Five stations are also planned, including a transfer station at Des Plaines to facilitate connections between the NCS and the Union Pacific Northwest Line.

210 communities

210 communities are served by Pace's paratransit system providing access to jobs and activities to thousands of persons with disabilities. Pace expended $4 million in 2002 to upgrade its paratransit fleet. While demand for paratransit services continues to grow, Pace is also working to make its entire fleet accessible to persons with disabilities. Of Pace's weekday routes, 75 percent are currently accessible, and 100 percent of weekend routes are accessible. All new Pace buses are accessible and designed with larger areas for wheelchairs and mobility devices than required under the Americans with Disabilities Act (ADA).

34.9 million rides

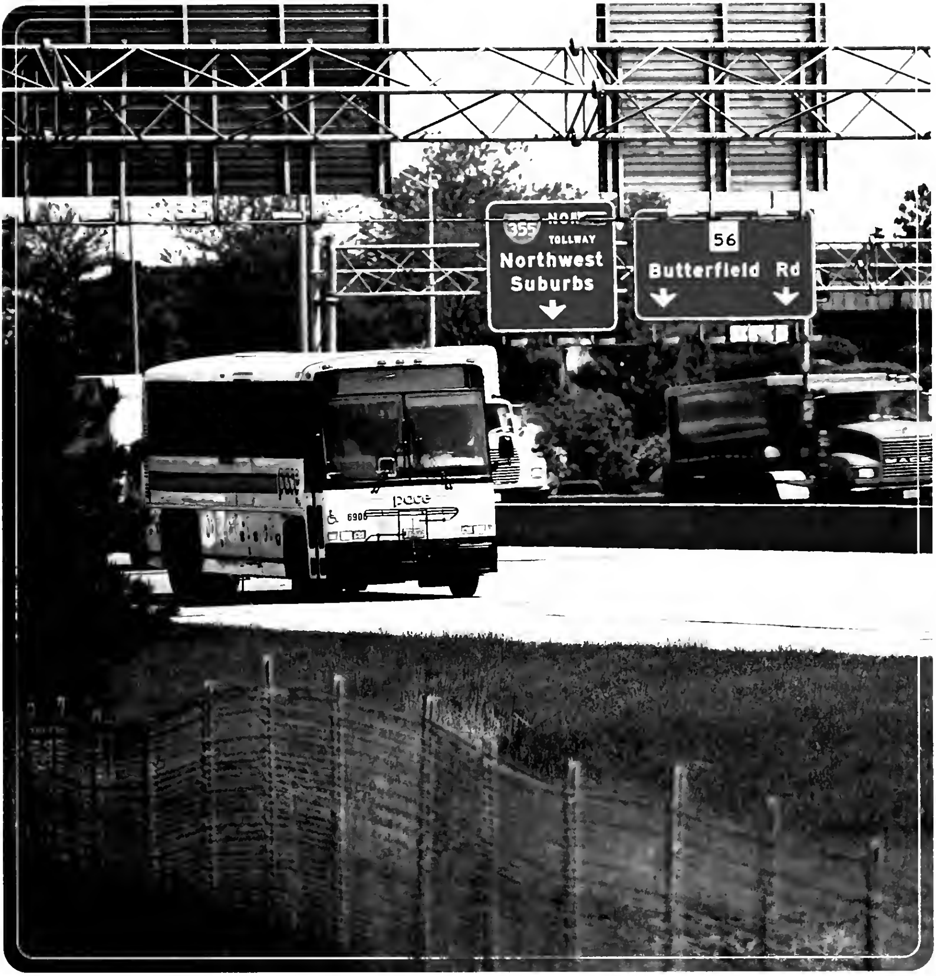
34.9 million rides were [illegible] Pace in 2002. A weakened [illegible] changing [illegible] patterns and fare increases have [illegible] Pace's efforts to increase ridership throughout its system. [illegible] Pace [illegible] "Vision 2020" plan in 2002. The plan calls for [illegible] Pace system over the next two decades and includes work with [illegible] infrastructure improvements. In response to cus- [illegible] improved its on-time performance to 92 percent in 2002. In two years, [illegible] number of late buses by more than 50 percent.

236 fixed-route services

236 fixed-route services accommodate Pace passengers throughout the region. Pace uses fixed routes and feeder routes to serve the majority of its customers and has partnered with the business community to link commuters with specific employment sites. Ridership in Pace's innovative vanpool program has steadily increased, with more than 370 vans in service in 2002, and its new Municipal Vanpool program allows communities more flexibility in serving residents' transportation needs. Pace continues to improve passenger facilities on its routes, installing bike racks, schedule poles and new route signs.

1,549 vehicles

1,549 vehicles [illegible]



PACE In August 2002, Pace introduced eight over-the-road coaches for use on two of its express routes. The eight buses, manufactured by Schaumburg-based Motor Coach Industries, provide commuters with a new level of service and comfort on routes that require more than an hour of travel each way. The buses are fully accessible and feature reclining seats, reading lights and overhead storage racks. Pace Route 877 makes rush-hour trips from the Harvey Transportation Center and the Blue Island park-n-ride to Oak Brook, Lombard and Downers Grove. Pace Route 888, the longest route in the Pace system, provides rush-hour service from park-n-rides in South Holland and Homewood to Oak Brook, Lombard, Downers Grove and Lisle.

The RTA staff stands along the Chicago River on Wacker Drive with CTA's Well Street Bridge in the background. The City of Chicago's two-year, $200 million "Revive Wacker Drive" project was completed on time in November 2002.

The reconstruction of this historic thoroughfare necessitated rerouting nine CTA bus routes and affected numerous other routes. As part of the project, the CTA Wells Street Bridge was replaced in May 2002. The replacement of the more than 100-year-old bridge was completed within a weekend to minimize the disruption in service to the CTA's Brown Line.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BOARD OF DIRECTORS.

1 Thomas J. McCracken, Jr., Chairman 2 Patrick Durante, DuPage County 3 Allan C. Carr, Suburban Cook County 4 Armando Gomez, City of Chicago 5 Valerie B. Jarrett, Chicago Transit Authority 6 Dwight Magalis, Kane, Lake, McHenry and Will counties 7 Mary M. McDonald, Suburban Cook County 8 Fred T. L. Norris, Kane, Lake, McHenry and Will counties 9 Thomas H. Reece, City of Chicago 10 Michael Rosenberg, City of Chicago 11 Donald L. Totten, Suburban Cook County 12 Douglas M. Troiani, Suburban Cook County 13 Rev. Addie L. Wyatt, City of Chicago

Year Ended December 31, 2002

LETTER OF TRANSMITTAL

Mr. Thomas J. McCraeken, Jr., Chairman
Regional Transportation Authority
175 West Jackson Boulevard, Suite 1550
Chicago, Illinois 60604

I have the pleasure to submit to you the Combining Financial Statements Report for the Regional Transportation Authority, the Chicago Transit Authority, the Commuter Rail Division and the Suburban Bus Division for the year ending December 31, 2002. This Report fulfills the requirements of section 4.05 of the RTA Act.

This Report represents the operations of our transit system in the aggregate and not as individual components. It shows the magnitude of the resources on hand and in use for public transportation in the northeast Illinois region.

The RTA independent auditors have reviewed the compilation of financial statements in the Combining Financial Statements Report. They have not subjected these statements to audit. The financial report of each individual organization is available upon request.

As always, the RTA staff acknowledges the commitment by the RTA Board to fiscal responsibility, to ensure financially sound public transportation in northeastern Illinois.

J G Costello

Joseph G. Costello
Chief Financial Officer
Regional Transportation Authority
June 1, 2003

INDEPENDENT ACCOUNTANTS' REPORT

Board of Directors
Regional Transportation Authority
Chicago, Illinois

We have compiled the accompanying combining financial statements of the Regional Transportation Authority and Service Boards as of December 31, 2002, and for the year then ended, and the supplementary and statistical information listed in the foregoing table of contents, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The supplementary and statistical information is presented only for purposes of additional analysis and is not a required part of the basic financial statements.

A compilation is limited to presenting, in the form of financial statements and supplementary and statistical information, information that is the representation of management. We have not audited or reviewed the accompanying combining statements and, accordingly, we do not express an opinion or any other form of assurance on them.

Deloitte & Touche LLP

May 16, 2003

STATEMENTS OF NET ASSETS

December 31, 2002 In thousands	RTA Government-Wide Funds	Service Boards: Chicago Transit Authority	Service Boards: Commuter Rail Division	Service Boards: Suburban Bus Division	Combining Adjustments: Debit	Combining Adjustments: Credit	Total Combined
Assets							
Current Assets							
Cash and Investments							
Externally restricted – investments	$ 56,355						56,355
Restricted— cash and cash equivalents	19,930			10,213			30,143
Unrestricted— cash and cash equivalents		116,095	62,796	674			179,565
Restricted—investments	473,338						473,338
Unrestricted—investments	67,604	30,847					98,451
Unamortized bond issue costs	188						188
Receivables							
Intergovernmental receivables	78,059					152	77,907
Grant projects		18,226	38,971	1,989		35,239	23,947
RTA financial assistance		125,210	55,230	29,417		51,973	157,884
Other carriers			126	28			154
Other receivables	124	30,782	11,517	4,264		1,190	45,497
Interest on investments	1,854						1,854
Materials and supplies		63,651	10,594	3,538			77,783
Prepaid items	3,506	5,027	4,393	1,796			14,722
Total Current Assets	$ 700,958	389,838	183,627	51,919		88,554	1,237,788
Fixed Assets							
Plant, property and equipment	3,304	5,164,466	3,298,340	405,304			8,871,414
Capital projects in progress			202,042	6,521			208,563
Less accumulated depreciation	(2,018)	(2,486,583)	(1,564,677)	(249,194)			(4,302,472)
Total Fixed Assets–net	$ 1,286	2,677,883	1,935,705	162,631			4,777,505
Other Assets							
Unamortized bond issue costs	4,362						4,362
Investment relating to employee pension benefits plan		30,664					30,664
Assets restricted for injury and damage reserve		45,998	15,685				61,683
Amounts due under sale/leaseback		1,644,414	279,381				1,923,795
Total Other Assets	$ 4,362	1,721,076	295,066				2,020,504
Total Assets	$ 706,606	4,788,797	2,414,398	214,550		88,554	8,035,797

See Notes to Combining Financial Statements and independent accountants' compilation report.

December 31, 2002 In thousands	RTA Government-Wide Funds	Service Boards: Chicago Transit Authority	Service Boards: Commuter Rail Division	Service Boards: Suburban Bus Division	Combining Adjustments: Debit	Combining Adjustments: Credit	Total Combined
Liabilities							
Current Liabilities							
Vouchers payable	$ 1,467	74,557	55,592	2,325			133,941
Accrued interest payable	21,761						21,761
Intergovernmental payables	95,556				87,212		8,344
Due to pension trust fund	685						685
Current portion of general obligation bonds payable	37,940						37,940
Current portion of unamortized bond premium	1,799						1,799
Other current liabilities							
Accrued other expenses	4,793	128,885	26,388	13,624	1,339		172,351
Deferred revenue, assistance and other	5,734	44,408	8,574	567			59,283
Supplemental retirement plan		1,700					1,700
Capital lease obligations		107,008					107,008
Claims liability	762	85,494	11,839	8,504	3		106,596
Total Current Liabilities	$ 170,497	442,052	102,393	25,020	88,554		651,408
Long-Term Liabilities							
General obligation bonds payable	1,572,440						1,572,440
Claims liability		85,139	29,992	4,079			119,210
Supplemental retirement plan		34,005					34,005
Capital lease obligations		1,521,829	279,381				1,801,210
Deferred revenue	6,630	58,546					65,176
Accrued pension cost		442,884					442,884
Unamortized bond premium	40,726						40,726
Other long-term liabilities		3,422		6,314			9,736
Total Long-Term Liabilities	$ 1,619,796	2,145,825	309,373	10,393			4,085,387
Total Liabilities	$ 1,790,293	2,587,877	411,766	35,413	88,554		4,736,795
Net Assets (Deficit)							
Invested in capital assets	1,286	1,049,046	1,935,705	162,631			3,148,668
Retained earnings			66,927				66,927
Restricted for:							
Service Boards capital projects	405,621						405,621
Debt service	20,888						20,888
Insurance	46,735						46,735
Payments of other obligations		1,763,524					1,763,524
Accumulated unrestricted (deficit)	(1,558,217)	(611,650)		16,506	1,112,668	1,112,668	(2,153,361)
Total Net Assets (Deficit)	$(1,083,687)	2,200,920	2,002,632	179,137	1,112,668	1,112,668	3,299,002

See Notes to Combining Financial Statements and independent accountants' compilation report.

STATEMENTS OF REVENUES AND EXPENSES AND CHANGES IN NET ASSETS

Year Ended December 31, 2002 In thousands	RTA Government-Wide Funds	Service Boards: Chicago Transit Authority	Service Boards: Commuter Rail Division	Service Boards: Suburban Bus Division	Combining Adjustments: Debit	Combining Adjustments: Credit	Total Combined
Revenues							
Service Boards operating revenues	$	412,362	240,350	50,541	1,985		701,268
Sales taxes	97,153					550,533	647,686
Interest on sales taxes	68						68
Public Transportation Fund	165,665						165,665
State assistance	67,455						67,455
Investment income	21,650						21,650
Program revenues and other	4,875				3		4,872
Total Revenues	$ 356,866	412,362	240,350	50,541	1,988	550,533	1,608,664
Expenses							
Operating expenses		964,449	445,167	130,791		1,352	1,539,055
Depreciation		331,340	138,267	31,069			500,676
Financial assistance to Service Boards	209,106					209,106	
Capital grants—discretionary	31,096					31,096	
Capital grants—bonds	319,945					319,945	
Insurance	4,852						4,852
Administrative expenses	6,510						6,510
Regional expenses	15,071					636	14,435
Technology program expenses	3,570						3,570
Bond-related expenses	88,038						88,038
Total Expenses	$ 678,188	1,295,789	583,434	161,860		562,135	2,157,136
Operating Loss	$ (321,322)	(883,427)	(343,084)	(111,319)	1,988	1,112,668	(548,472)
Nonoperating Revenue (Expense)							
RTA financial assistance		441,632	238,955	79,052	759,639		
Leasehold revenue		26,395					26,395
Interest revenue from leasing transactions		105,908	18,141				124,049
Interest expense on leasing transactions		(105,501)	(18,141)				(123,642)
Capital farebox financing			9,023				9,023
Other public funding		35,197	151,130	2,129			188,456
Capital grants		482,638	125,152	31,162	351,041		287,911
Investment income		6,451		243			6,694
Gain on sale of assets		2,112					2,112
Total Nonoperating Revenue (Expense)	$	994,832	524,260	112,586	1,110,680		520,998
Changes in Net Assets	$ (321,322)	111,405	181,176	1,267	1,112,668	1,112,668	(27,474)
Investment in capital grant properties			922				922
Net Assets (Deficit)							
Beginning of year	(762,365)	2,089,515	1,820,534	177,870			3,325,554
End of year	$(1,083,687)	2,200,920	2,002,632	179,137	1,112,668	1,112,668	3,299,002

See Notes to Combining Financial Statements and independent accountants' compilation report.

Year Ended December 31, 2002 In thousands		RTA Joint Self-Insurance Fund	Chicago Transit Authority	Service Boards Commuter Rail Division	Service Boards Suburban Bus Division	Total Combined
Cash Flows From Operating Activities						
Fares received from passengers	$		374,526	181,315	46,443	602,284
Payments to employees			(647,425)	(204,824)	(72,025)	(924,274)
Payments to vendors		(2,635)	(239,798)	(242,918)	(54,862)	(540,213)
Other receipts and payments		789	10,291	38,699	3,935	53,714
Net Cash From Operating Activities	$	(1,846)	(502,406)	(227,728)	(76,509)	(808,489)
Cash Flows From Noncapital Financing Activities						
Financial assistance—operating			476,343	234,530	78,509	789,382
Repayment of obligation to RTA					(791)	(791)
Sales tax advance					114	114
Net Cash From Noncapital Financing Activities	$		476,343	234,530	77,832	788,705
Cash Flows From Capital and Related Financing Activities						
Interest income from assets restricted for payment of leasehold obligations			105,908			105,908
Interest expense on leasehold obligations			(105,501)			(105,501)
Increase in assets restricted for payment of leasehold obligations			264,958			264,958
Payments of capital lease obligations			(264,552)			(264,552)
Proceeds from leasing transactions			22,133			22,133
Financial assistance—grant projects			462,131	271,647	28,556	762,334
Capital farebox financing				9,023		9,023
Proceeds from the sale of property and equipment			2,111			2,111
Payments for capital acquisition			(489,628)	(330,154)	(30,494)	(850,276)
Net Cash From Capital and Related Financing Activities	$		(2,440)	(49,484)	(1,938)	(53,862)
Cash Flows From Investing Activities						
Investment income		924	6,451	3,344	244	10,963
Sales and purchases of investments, net		(6,358)	(12,830)	21,877		2,689
Net payments for injury and damage reserve			1,416			1,416
Net Cash From Investing Activities	$	(5,434)	(4,963)	25,221	244	15,068
Net Decrease in Cash and Cash Equivalents		(7,280)	(33,466)	(17,461)	(371)	(58,578)
Cash and Cash Equivalents – Beginning of year		27,210	149,561	80,257	11,258	268,286
Cash and Cash Equivalents – End of year	$	19,930	116,095	62,796	10,887	209,708
Reconciliation of Operating Activities						
Net loss from operations		(4,849)	(883,427)	(343,084)	(111,319)	(1,342,679)
Adjustments to reconcile operating loss to net cash from operating activities:						
Depreciation			331,340	138,267	31,069	500,676
Claims provision and settlement				(7,204)		(7,204)
State reduced fare assistance				(2,949)		(2,949)
Interest and dividends received				(3,344)		(3,344)
Changes in current assets and liabilities		3,003	49,681	(9,414)	3,741	47,011
Net Cash Flows From Operating Activities	$	(1,846)	(502,406)	(227,728)	(76,509)	(808,489)

See Notes to Combining Financial Statements and independent accountants' compilation report.

Note 1. Basis of Accounting

The accompanying combining financial statements are presented as required by the Regional Transportation Authority ("RTA") Act ("Act") and are not intended to be presented in accordance with accounting principles generally accepted in the United States of America.

Intergovernmental receivables, payables, revenues, expenses and expenditures have been eliminated in the Combining Adjustments columns; however, there are some differences in these amounts reported in the stand-alone financial statements of the RTA and the Service Boards. These valid differences relate primarily to differences in timing in the recording of certain transactions. For purposes of these combining financial statements, such differences are recorded as combining adjustments to net assets.

The columns presenting the combined balances for the RTA and Service Boards are statutorily required and do not present financial position, results of operations or cash flows in conformity with accounting principles generally accepted in the United States of America.

Note 2. Organizational Structure

RTA

The RTA was established in 1974 upon the approval of a referendum in its six-county Northeastern Illinois Region ("Region"). The operating responsibilities of the RTA are set forth in the Act. The RTA is a unit of local government, body politic, political subdivision and municipal corporation of the State of Illinois. As initially established, the RTA was an operating entity responsible for providing day-to-day bus and rail transportation services. However, in 1983, the Illinois General Assembly reorganized the structure and funding of the RTA from an operating entity to a planning, funding and oversight entity. The reorganization placed all operating responsibilities in the Chicago Transit Authority ("CTA") and two operating divisions of the RTA: the Commuter Rail Division ("Metra") and the Suburban Bus Division ("Pace"), each having its own independent board. These divisions conduct operations and deal with subsidized carriers. These three entities are defined in the Act as the "Service Boards."

The Act sets forth detailed provisions for the allocation of receipts by the RTA to the various Service Boards, and imposes a requirement that the RTA system as a whole achieves annually a "system-generated revenues recovery ratio" (i.e., aggregate income for transportation services provided) of at least 50 percent of the cost of transportation services. The Service Boards achieve their required recovery ratio by establishing fares and related revenue to cover the required proportion of their proposed expenses. The RTA has the responsibility to monitor the budgets and financial performance of the Service Boards.

CTA

The CTA was formed in 1945 pursuant to the Metropolitan Transportation Authority Act passed by the Illinois legislature. The CTA was established as an independent governmental agency (an Illinois municipal corporation) "separate and apart from all other government agencies" to consolidate Chicago's public and private mass transit carriers. The City Council of the City of Chicago has granted the CTA the exclusive right to operate a passenger transportation system within the City of Chicago.

Metra

The Northeast Illinois Regional Commuter Railroad Corporation (NIRCRC), a public corporation, was established in 1980 to serve as the RTA's commuter rail service. The RTA Act, as amended effective November 9, 1983, established the Commuter Rail Division (CRD) to operate commuter rail transportation services. Both the NIRCRC and the CRD act under the registered service mark known as "Metra."

Metra has the responsibility for policy making with respect to actual day-to-day operations, capital investments, finances, fare levels and service and facilities planning for its operations. Metra has responsibility for the administration of all commuter rail activities in the metropolitan Chicago area, including deficit funding, capital grant application and administration activities. Metra is directly responsible for the operation and management of the Rock Island, Milwaukee Road, Metra Electric, Heritage Corridor, North Central Service and Metra South West Service commuter lines.

Metra also provides commuter rail service under purchase of service agreements (PSA) with Union Pacific Railroad; Burlington Northern Santa Fe Railway Company; and Northern Indiana Commuter Transportation District. Under these agreements, Metra funds the commuter-related operating deficits (as defined), or is entitled to receive the commuter-related operating surpluses (as defined) of these carriers. In addition, Metra provides certain direct expenses such as fuel and insurance coverage considered to be "in-kind assistance." The title to the roadway and structure assets of the PSA carriers, other than capital improvements funded by federal and state agencies, the RTA and Metra, is vested with the carriers. Accordingly, such assets are not reflected in these financial statements.

Pace

The RTA Act, as amended effective November 9, 1983, established the Suburban Bus Division (Pace) to operate suburban bus service within suburban Cook County and the five collar counties of DuPage, Kane, Lake, McHenry and Will. Independent operations of Pace commenced July 1, 1984.

Pace determines the level, nature and kind of public transportation services that should be provided in the suburban region. Pace operates suburban bus services using stock, structures and equipment purchased through capital grants funded by federal and state agencies and the RTA.

Reporting Periods

The RTA, CTA, Metra and Pace (the "Combined Entities") all report on a calendar-year basis. All statements enclosed herewith are based on each entity's December 31, 2002 year-end.

Note 3. Reporting Entity

The RTA and each of the Service Boards have adopted the provisions of the Governmental Accounting Standards Board's ("GASB") Statement No. 14 ("Statement No. 14"), *The Financial Reporting Entity.*

In the judgment of the management of each of the entities and their analysis and application of Statement No. 14 criteria, while the RTA does exercise some fiscal oversight, the Service Boards are not part of the RTA reporting entity for the purpose of preparing a comprehensive annual financial report in accordance with governmental accounting and financial reporting standards in the United States of America.

In arriving at this conclusion, the following factors were considered:

• The Service Boards maintain separate management, exercise control over all operations (including the passenger fare structure) and are accountable for fiscal matters including: ownership of assets, relations with Federal and State transportation funding agencies that provide financial assistance in the acquisition of these assets, and the preparation of operating budgets. The Service Boards are also responsible for the purchase of services and approval of contracts relating to their operations.

• The RTA Board has control neither in the selection nor the appointment of any Service Board Director nor of any of its management. Further, directors of the Service Boards are excluded from serving on more than one entity's board of directors, including that of the RTA, except for the Chairman of the CTA Board of Directors who is also an RTA Board member.

• The Illinois statutes require the RTA Board to approve the budgets of the Service Boards if such budgets meet specified system-generated revenues recovery ratios and other requirements as defined by the Act.

• The RTA is not entitled to any Service Board surplus or responsible for any Service Board deficits.

Accordingly, financial statements for the Service Boards are not included or combined with the RTA's financial statements under Statement No. 14. They are combined, however, in these Combining Financial Statements. Section 4.05 of the RTA Act requires that the RTA prepare a report combining "the audits of the Service Boards, and reviewing the state of the Authority, the Service Boards and the public transportation agencies."

Note 4. Summary of Significant Accounting Policies

The accounting policies of the Combined Entities conform to accounting principles generally accepted in the United States of America as applicable to governments. The following is a summary of the significant policies:

Fund Accounting

The RTA maintains records using a fund accounting model consisting of General Fund, Debt Service Fund, Capital Projects Fund, Proprietary Fund (Enterprise), Agency Fund and Pension Trust Fund. All Governmental Funds and the Agency Fund are accounted for using the modified accrual method of accounting (i.e., revenues are recognized when they become measurable and available, and expenditures are recognized when the related fund liability is incurred). The Proprietary Fund and Pension Trust Fund are accounted for on the accrual method of accounting. For the purpose of these combining financial statements, all RTA funds have been combined.

The Service Boards are accounted for on a Proprietary Fund basis. Accordingly, the accrual method of accounting is utilized by the Service Boards. For purposes of these combining financial statements, the individual Service Board financial statements are combined with those of the RTA.

Cash and Cash Equivalents

All investments of the Combined Entities are recorded at fair value except short-term investments, which are reported at cost or amortized cost, which reasonably approximates fair value.

For purposes of the combining statements of cash flows, the Combined Entities consider all investments with original maturities of three months or less to be cash equivalents. Such amounts are included in the "Cash and Cash Equivalents" line items on the accompanying balance sheet

Fixed Assets

All fixed assets are recorded at cost. Costs funded by Federal Capital Grants are recorded as capital items and are included in fixed assets. In calculating depreciation, the Combined Entities use the straight-line method. The estimated useful lives vary depending on the type of fixed asset. These useful lives range from more than one year to 40 years.

Materials and Supplies

Each Service Board records its inventory at the lower of cost or market. The CTA and Metra use the average-cost method. Pace uses the first-in, first-out method to determine cost.

Compensated Absences

All four entities have recorded liabilities for vested vacation time in the year the time was earned. The entities account for compensated absences under GASB Statement No. 16, *Accounting for Compensated Absences*, whereby the applicable salary-related employer obligations are accrued in addition to the compensated absences liability.

Revenues

The Combined Entities have five principal sources of revenue and other financial sources: (1) farebox revenue; (2) retailers' occupation taxes, service occupation taxes and use taxes (collectively, RTA Sales Taxes); (3) funds appropriated to the RTA by statute through the state's Public Transportation Fund ("PTF") established under the RTA Act; (4) state or federal grants, or any other such funds, which the RTA is authorized to apply for and receive under the RTA Act; and (5) investment income and other miscellaneous revenue:

Farebox Revenue

A major source of revenue to the Service Boards is fares collected from riders. Each Service Board has its own fare structure and method for collection of fares. Farebox revenue is recognized when fares paid are initially valid for transportation services.

Sales Tax

The RTA Sales Tax consists of (i) in Cook County, (a) a tax of 1 percent of the gross receipts from sales of drugs, certain medical supplies and food prepared for consumption off the premises (other than for immediate consumption) imposed on all persons selling

tangible personal property at retail (a Food and Drug Tax) and (b) a tax of 0.75 percent of the gross receipts from all other taxable retail sales; (ii) in counties within Northeastern Illinois other than Cook County, a tax of 0.25 percent of the gross receipts from all taxable retail sales (together with (i) (b), a General Sales Tax); and (iii) a tax of 0.75 percent on the use in Cook County, and 0.25 percent on the use in Northeastern Illinois other than Cook County of tangible personal property purchased from a retailer outside Northeastern Illinois and titled or registered with a State agency by a person with a Northeastern Illinois address (a Use Tax).

The taxes described in (i) and (ii) above are also imposed on persons engaged in making sales of services pursuant to which tangible personal property or real estate (as incident to a sale of a service) is transferred (with respect to the taxes in (i) and (ii), a Service Occupation Tax).

The RTA Sales Tax is collected by the Illinois Department of Revenue (the "Department of Revenue"), and paid to the Treasurer of the State to be held in trust for the RTA outside the State Treasury. Proceeds from the RTA Sales Tax are payable monthly directly to the RTA, without appropriation, by the State Treasurer on the order of the State Comptroller.

Also, proceeds from certain sales taxes imposed by the state are allocated to the RTA as part of the restructuring of the State and local sales taxes in Illinois. Until January 1, 1990, the State General Sales Tax, State Use Tax and State Service Occupation Tax portions of the RTA Sales Tax were imposed at a rate of 1 percent in Cook County. Effective January 1, 1990, as a result of legislation (the Sales Tax Reform Act) aimed at simplifying the base and rate structure of taxes imposed by the State and its local governments, including the RTA, the State General Sales Tax, State Use Tax, State Service Occupation Tax and State Service Use Tax were increased from 5 percent to 6.25 percent and any corresponding portions of the RTA Sales Tax in Cook County were reduced from 1 percent to 0.75 percent. In order to avoid a revenue loss to the RTA because of the reduction in this portion of the RTA Sales Tax, the Sales Tax Reform Act directed that portions of the receipts from the State General Sales Tax, State Use Tax, State Service Occupation Tax and State Service Use Tax be paid to the RTA annually.

Specifically, 4 percent of the net monthly revenue from the 6.25 percent State General Sales Tax and State Service Occupation Tax and 4 percent of the net monthly revenue from the State Use Tax on personal property purchased at retail outside the State but registered or titled with a State agency within the State (i.e., 0.25 percent of total) is transferred into the County and Mass Transit District Fund in the State Treasury (the "CMTD Fund"). The amount in the CMTD Fund attributable to taxable sales occurring in Cook County or to property registered or titled in Cook County is then transferred into the RTA Occupation and Use Tax Replacement Fund in the State Treasury (the Replacement Fund). In addition, (i) the net monthly revenue from the State Use Tax and State Service Use Tax portions of the 1 percent State Food and Drug Tax and (ii) 20 percent of the net monthly revenue of the 6.25 percent State Use Tax and State Service Use Tax (i.e., 1.25 percent of total), other than revenues of such taxes attributable to personal property purchased at retail outside the State but registered or titled with a State agency within the State, are deposited in the State and Local Sales Tax Reform Fund (the Reform Fund). Of the money paid into the Reform Fund, 10 percent is transferred into the Replacement Fund.

The Act provides that the RTA withhold 15 percent of the tax revenues generated and that these revenues are deposited into the RTA's General Fund. The RTA is required to pass on to the Service Boards, pursuant to statutory formula, an amount equal to the remainder of such tax revenues. The remaining 85 percent of sales tax is allocated to the Service Boards as follows:

Service Board	Collected Within Chicago	Collected Within Cook County Outside Chicago	Collected in DuPage, Kane, Lake, McHenry and Will Counties
CTA	100%	30	
Metra		55	70
Pace		15	30

The RTA recognizes as a receivable and revenue in the General Fund only the 15 percent of the total sales taxes collected to which it is entitled by the amended Act. The remaining portion of the sales tax is recorded in the Agency Fund. The criteria applied for recognition of the receivable and related revenue are that the amounts are "measurable and available" for the RTA to meet its current obligations.

Public Transportation Fund

In accordance with the Act, the State Treasurer is authorized and required to transfer from the State's General Revenue Fund to a special fund in the State Treasury designated the "Public Transportation Fund" an amount equal to 25 percent of net revenues realized from sales taxes (or, as the case may be, gasoline or parking taxes). These amounts may be paid to the RTA only upon state appropriation. The state has approved an appropriation from the PTF through its 2003 fiscal year, which will end June 30, 2003.

None of the revenues from the PTF are payable to the RTA unless and until the RTA certifies to the Governor, State Comptroller and Mayor of the City of Chicago that it has adopted a budget and financial plan as called for by the Act. This certification has been submitted.

The amounts allocable to each of the Service Boards from funding received by the RTA from the State's PTF are allocated at the discretion of the RTA Board in connection with the review and approval of the annual and revised budgets of each Service Board. The allocable amounts of such funds are payable as soon as may be practicable upon their receipt, provided that the RTA has adopted a budget pursuant to Section 4.01 of the Act, and the Service Board that is to receive such funds is in compliance with the budget requirement imposed upon the Service Board pursuant to Section 4.11 of the Act.

Reduced Fare Reimbursement

In the state's fiscal year 2003, which ends June 30, 2003, the Illinois General Assembly appropriated funds for a program under which the Illinois Department of Transportation ("IDOT") is authorized to provide to the RTA a reduced fare reimbursement grant for the purpose of reimbursing the Service Boards for a

portion of actual revenue losses attributable to reduced fares for students, people with disabilities and the elderly. For the state fiscal years ended June 30, 2002 and June 30, 2003, the grants were in the amount of $36 million and $40 million, respectively. The revenue is recognized on the modified accrual basis when the amount is requested from IDOT.

Additional State Assistance/Additional Financial Assistance

The state has authorized Additional State Assistance ("ASA"), which is supplemental financing for the RTA's Strategic Capital Improvement Program ("SCIP"). The ASA available to the RTA during the state's July through June fiscal year is limited to the lesser of (i) the actual debt service payable during such year on any outstanding SCIP bonds plus any debt service savings from the issuance of refunding or advance refunding SCIP bond, less interest earned on the remaining bond proceeds, or (ii) $55 million per year. The RTA recognized $43 million of ASA in 2002.

Beginning with the state's fiscal year 2001, the state has also authorized Additional Financial Assistance ("AFA") to pay for debt service requirements for SCIP bonds authorized under the Illinois First Bond Program. The amount available to the RTA during the state's July through June fiscal year is limited to the lesser of (i) the actual debt service payable during such year on any outstanding SCIP bonds less interest earned on those bond proceeds, or (ii) $35 million and $54 million in the state's fiscal year 2002 and 2003, respectively. The RTA recognized $24 million of AFA in 2002.

In accordance with the RTA Act, earnings on certain investments in the Capital Projects Fund are credited to the Debt Service Fund. This is done to compensate for prior state fiscal year earnings reducing the actual ASA and AFA grant amounts.

Management's Use of Estimates

The preparation of financial statements in conformity with the Act requires management to make estimates and assumptions that affect the amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Note 5. Budget and Budgetary Accounting

Section 4.01(a) of the Act requires the RTA to prepare and adopt a comprehensive annual budget and program presenting the RTA's planned operations and capital expenditures for the forthcoming year. The Service Boards' proposed budgets are based on the RTA's estimate of funds that will be available to the Service Boards by or through the RTA's own budget. This budget is comprehensive and includes the activity in the General Fund and Sales Tax Agency Fund.

The annual budget and related appropriations are prepared on the modified accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America except for RTA capital expenditures and capital grants to Service Boards, which are budgeted for on a project basis, which normally exceeds one year, and debt service payments, which are budgeted as transfers from the General Fund. Budgets for RTA capital expenditures and capital grants to Service Boards that extend beyond one year are presented in the first year of the grants and represent the total amounts awarded. In addition, for the Sales Tax Agency Fund, additions and deletions are treated as revenues and expenditures. All appropriations lapse at year-end. There was no budget amendment to the 2002 budget. Although appropriations are adopted for individual line items, the legal level of control (i.e., the level at which appropriation transfers or expenditures in excess of appropriated amounts require RTA Board approval) is restricted to total appropriations/expenditures and total administration appropriations/expenditures. Management has the authority to exceed any line item appropriation without Board approval, provided it does not exceed the total appropriations/ expenditures and the total administration appropriations/expenditures.

It is the policy of the RTA to fund the budgets of the Service Boards, up to the amount appropriated in the annual Budget Ordinance. The Service Boards shall maintain all financial records and shall prepare all financial statements and reports, including quarterly and annual reports required under the Act, in accordance with the following provisions:

- The first source of funds to be credited against the budgeted funding amount is from Federal Transit Authority operating assistance grants;
- The second source of funds to be credited against the budgeted funding amount is from 85 percent sales tax receipts;
- The third source of funds to be credited against the budgeted funding amount is from PTF receipts; and
- The fourth source of funds credited against the budgeted funding amount is from RTA 15 percent sales tax receipts and other discretionary receipts.

The reimbursement of Service Boards' capital expenditures and the payment of PTF funds, 15 percent funds and other discretionary funds of the RTA shall be made under the terms and conditions of grant agreements governing such expenditures.

Note 6. Leases

The RTA and CTA hold operating leases that are primarily for rent expense on the facilities they occupy. Metra has several operating leases, primarily for the use of passenger terminals. Pace has multi-year leases for vehicles and bus tires.

On September 18, 1998, Metra entered into a transaction to lease 174 railcars to three equity investors ("headlease") and simultaneously subleased the railcars back ("sublease"). Under these agreements, Metra maintains the right to use the railcars and is also responsible for their continued maintenance and insurance. Metra's sublease arrangements have been recorded as long-term obligations for accounting purposes. At closing, the railcars had a fair market value of approximately $296.9 million and a book value of $262.9 million. As part of the headlease agreements, Metra received prepayments equivalent to the net present value of the headlease obligations totaling approximately $274 million. Metra transferred approximately $177.4 million and $52.9 million of the prepayment proceeds to third parties, in accordance with the terms of debt and equity payment undertaking agreements, respectively. These agreements constitute commitments by the debt and equity payment undertakers to pay Metra's sublease and buy-out options, under the terms of the subleases. The debt payment undertaker and equity payment undertaker are finance companies. The debt

payment undertaker is non-rated, and the equity payment undertaker has AAA and Aaa bond ratings from Standard & Poor's and Moody's, respectively. Both companies' performance under the agreement is guaranteed by their parent company, which carries the same bond ratings. In connection with the transaction, Metra recognized $43.7 million as leasehold revenue in 1998. The net present value of the future payments due under the subleases has been recorded as a liability on the accompanying balance sheet. Since the debt and equity payment undertaking agreements have been structured to meet all future obligations under the subleases, the related asset balances have been recorded to equal the sublease liabilities on the accompanying balance sheet.

The following table sets forth the aggregate amounts due under the sublease agreements:

Future minimum lease payments due

Year		Payment
2003	$	17,193,268
2004		17,193,268
2005		17,193,268
2006		17,193,268
2007		17,193,268
Thereafter		496,631,951
Total future minimum payments	$	582,598,291

The present value of minimum lease payments of the Metra lease is $279.4 million, which is reflected in the accompanying December 31, 2002 statement of net assets as capital lease obligations.

During 2002, the CTA entered into two lease and leaseback agreements with a third party pertaining to certain buses (lot 1 and 2), with a book value of $88.9 million at December 31, 2002. Under the bus lease agreements, which provide certain cash and tax benefits to the third party, the CTA entered into a long-term lease for applicable assets with a trust, established by the equity investor, in which the trust concurrently leased the respective assets back to the CTA under a sublease. Under the sublease, the CTA is required to make the following payments:

Future minimum payments due

Year		Payment
2003	$	800,000
2004		46,400,000
2005		
2006		
2007		
Thereafter		147,500,000
Total future minimum payments	$	194,700,000

The present value of the future payments to be made by the CTA under the lease of approximately $125.9 million is reflected in the accompanying December 31, 2002 statement of net assets as capital lease obligations.

During 2002, the CTA entered into a lease and leaseback agreement with a third party pertaining to certain qualified technological equipment ("QTE"), with a book value of $58.6 million at December 31, 2002. Under the QTE lease agreement, which provides certain cash and tax benefits to the third party, the CTA entered into a long-term lease for applicable assets with a trust, established by the equity investor, in which the trust concurrently leased the respective assets back to the CTA under a sublease. Under the sublease, the CTA is required to make the following payments:

Future minimum payments due

Year		Payment
2003	$	
2004		5,600,000
2005		6,900,000
2006		6,900,000
2007		6,900,000
Thereafter		262,100,000
Total future minimum payments	$	288,400,000

The present value of the future payments to be made by the CTA under the lease of approximately $148.9 million is reflected in the accompanying December 31, 2002 statement of net assets as capital lease obligations.

During 1998, the CTA entered into a lease/leaseback agreement ("1998 Agreement") with a third party pertaining to a rail line ("Green Line"), with a book value of $339.6 million at December 31, 2002. The 1998 Agreement, which provides certain cash and tax benefits to the third party, also provides for a trust established by the CTA to lease the rail line to an equity investor trust ("1998 Equity Trust"), which would then lease the facilities back to another trust established by the CTA under a separate lease ("1998 Lease"). Under the 1998 Lease, the CTA is required to make the following payments:

Future minimum payments due

Year		Payment
2003	$	27,100,000
2004		35,200,000
2005		23,900,000
2006		12,800,000
2007		24,900,000
Thereafter		414,500,000
Total future minimum payments	$	538,400,000

The present value of the future payments to be made to the CTA under the lease of approximately $298.4 million is reflected in the accompanying December 31, 2002 statement of net assets as capital lease obligations.

During 1997, the CTA entered into four lease/leaseback agreements ("1997 Agreements") with a third party pertaining to certain of its facilities having a book value of $56.2 million at December 31, 2002. The 1997 Agreements, which provide certain cash and tax benefits to the third party, also provide for a trust established by the CTA to lease the facilities to an equity investor trust ("Equity Trust"), which would then lease the facilities back to another trust established by the CTA under separate leases ("Leases").

During 1997, the CTA received certain funds as prepayments by the Equity Trust. The funds have been deposited in designated investment accounts sufficient to meet the payments required under the Leases, and are recorded as assets restricted for repayment of leasing commitments. The Equity Trust has a security

interest in the deposits to guarantee the payments due from the CTA and may take possession of the facilities upon a default by the CTA under the Leases. Under the Leases, the CTA is required to make the following payments:

Future minimum payments due

Year	Payment
2003	$ 15,400,000
2004	12,100,000
2005	
2006	
2007	
Thereafter	614,300,000
Total future minimum payments	$ 641,800,000

The present value of the future payments to be made by the CTA under the Leases (net of the payment due from the Equity Trust in 2022 and 2023) of approximately $47.4 million is reflected in the accompanying December 31, 2002 statement of net assets as capital lease obligations.

In connection with the 1997 Agreements, the CTA also received proceeds of $11.9 million. The Federal Transit Administration ("FTA") has approved the CTA's right to the benefit received from these transactions. The CTA has elected to defer recognition of the proceeds over the remaining lease term.

During 1996, the CTA entered into similar lease/leaseback agreements ("1996 Agreements") with a third party pertaining to certain of its facilities, with a book value of $68.2 million at December 31, 2002. The 1996 Agreements, which provide certain cash and tax benefits to the third party, also provide for a trust established by the CTA to lease the facilities to an equity investor trust ("1996 Equity Trust"), which would then lease the facilities back to another trust established by the CTA under a separate lease ("1996 Lease").

Under the 1996 Lease, the CTA is required to make a rental payment of $7.8 million in 2004. No payment is required for 2003. The 1996 Lease also requires a payment at the end of the initial term (in the year 2024) of $653.5 million, which is fully defeased from the Equity Trust and final head-lease payment. The present value of the future payments to be made by the CTA under the leases (net of the payment due from the 1996 Equity Trust in 2024) of approximately $29.6 million is reflected in the accompanying December 31, 2002 statement of net assets as capital lease obligations.

In connection with the 1996 Agreements, the CTA also received proceeds of $10.9 million and agreed to make approximately $80 million of improvements to one of the facilities. The FTA has approved the CTA's right to the benefit received from these transactions. The CTA has elected to defer recognition of the proceeds over the remaining lease term.

During 1995, the CTA entered into sale/leaseback agreements ("1995 Agreements") with third parties. The 1995 Agreements provided for the CTA to sell and lease back certain rail equipment totaling $487.1 million at cost for a period of 19 years beginning on the date of the respective transaction. At December 31, 2002, the total payments due under the 1995 Agreements are recorded as capital lease obligations totaling $978.5 million. The CTA has deposited funds into designated cash and investment accounts sufficient to meet all of its payment obligations throughout the terms of the leases, and recorded such amounts as assets restricted for repayment of leasing commitments.

The present value of all future payments to be made by the CTA under all its leases of approximately $1.628 billion is reflected in the accompanying December 31, 2002 statement of net assets as capital lease obligations.

Note 7. Commitments and Contingencies

Each of the entities has various commitments that have arisen in the normal course of operations. None is expected to have a material adverse impact on its financial position as presented.

Each of the entities has also established liabilities for potential legal judgments to satisfy claims against the entity.

The RTA has also established a Loss Financing Plan to cover funding of losses incurred by the RTA and the Service Boards over certain established limits.

Note 8. Cash and Investments

The applicable statutory provisions governing the investment of public funds are found in 30 ILCS 235/0.01, et seq. Each of the Combined Entities has established its own investment policy that is in line with the State statute, or, in some cases, more restrictive.

The Combined Entities have on hand at December 31, 2002, $838 million of cash and investments. Of that amount, $503 million is restricted for self-insurance and other damage reserve liabilities, debt service, health insurance claims and capital projects. In addition, the CTA and Metra hold $2 billion investments in other assets for employee pension benefits, damage liabilities and capital lease obligations.

Note 9. General Obligation Bonds Payable

Changes during the year in bonds payable were as follows:

General Obligation	January 1, 2002	New Issues	Current Retirements	December 31, 2001
1990A	$ 60,795,000			60,795,000
1991A	55,745,000			55,745,000
1992A* and 1992B	71,040,000		4,290,000	66,750,000
1993A* and 1993B	4,840,000		2,360,000	2,480,000
1993C Refunding	21,965,000		200,000	21,765,000
1994A* and 1994B	44,550,000		4,955,000	39,595,000
1994C* and 1994D	82,635,000		2,800,000	79,835,000
1996 Refunding	148,650,000		595,000	148,055,000
1997 Refunding	95,275,000		4,705,000	90,570,000
1999 Refunding	293,165,000		595,000	292,570,000
2000A*	260,000,000		3,630,000	256,370,000
2001A*	100,000,000		1,400,000	98,600,000
2001B Refunding	37,280,000		30,000	37,250,000
2002A*		160,000,000		160,000,000
2002B		200,000,000		200,000,000
Total	$1,275,940,000	360,000,000	25,560,000	1,610,380,000

*Strategic Capital Improvement Program (SCIP) Bonds

At December 31, 2002, the total general obligation bonds payable of $1,610,380,000 is classified as current and long-term in the statement of net assets in the amounts of $37,940,000 and $1,572,440,000, respectively.

Advance Refundings

On June 21, 1993, the RTA advance refunded a portion of its 1990A Series general obligation bond issue. The RTA issued $23,265,000 of general obligation refunding bonds (1993C Series) to provide resources to fund an irrevocable trust for the purpose of generating resources for all future debt service payments of the refunded debt. At December 31, 2002, $20,350,000 of outstanding general obligation bonds (1990A Series) are considered defeased and have therefore been removed from the financial statements.

On January 19, 1996, the RTA advance refunded a portion of its 1994B and 1994D Series general obligation bond issues. The RTA issued $151,235,000 of general obligation refunding bonds (1996 Series) to provide resources to fund an irrevocable trust for the purpose of generating resources for all future debt service payments of the refunded debt. At December 31, 2002, $60,300,000 of outstanding general obligation bonds (1994B Series) and $75,605,000 of outstanding general obligation bonds (1994D Series) are considered defeased and have therefore been removed from the financial statements.

On September 18, 1997, the RTA advance refunded a portion of its 1990A, 1991A, 1992B and 1993B Series general obligation bond issues. The RTA issued $98,385,000 of general obligation refunding bonds (1997 Series) to provide resources to fund an irrevocable trust for the purpose of generating resources for all future debt service payments of the refunded debt. At December 31, 2002, $4,230,000 of outstanding general obligation bonds (1990A Series), $29,265,000 of outstanding general obligation bonds (1991A Series), $18,170,000 of outstanding general obligation bonds (1992B Series) and $47,465,000 of outstanding general obligation bonds (1993B Series) are considered defeased and have therefore been removed from the financial statements.

On August 24, 1999, the RTA advance refunded a portion of its 1992A, 1993A, 1994A and 1994C Series general obligation bond issues. The RTA issued $298,725,000 of general obligation refunding bonds (1999 Series) to provide resources to fund an irrevocable trust for the purpose of generating resources for all future debt service payments of the refunded debt. At December 31, 2002, $113,895,000 of outstanding general obligation bonds (1992A Series), $9,720,000 of outstanding general obligation bonds (1993A), $142,615,000 of outstanding general obligation bonds (1994A) and $21,955,000 of outstanding general obligation bonds (1994C) are considered defeased and have therefore been removed from the financial statements.

On March 1, 2001, the RTA advance refunded a portion of its 1993A Series general obligation bond issues. The RTA issued $37,715,000 of general obligation refunding bonds (2001B Series). Proceeds from the issuance amounted to $40,437,798, which includes a premium of $2,554,206. The proceeds are to provide resources to fund an irrevocable trust for the purpose of generating resources for all future debt service payments of the refunded debt. At December 31, 2002, $37,750,000 of outstanding general obligation bonds (1993A) are considered defeased and have therefore been removed from the financial statements.

Debt Service Requirements

The "debt service requirements" set forth in the following tables represent payments due the trustee from the RTA, as required by the respective bond agreements. The "principal maturity" columns represent principal payments due bondholders from the trustee. Within the following tables, the Principal Maturity column sometimes differs from the Principal — Debt Service Requirements column because the latter are remitted and accumulated by the trustee from the RTA before principal payments are made to the bondholders. Further differences, if any, between debt service amounts presented in the following tables and the amounts presented in the financial statements also represent timing differences. Also, investment income earned in the capital projects and debt service accounts may lower actual cash transfers from the General Fund.

1990 General Obligation Bonds

In May 1990, the RTA issued $100 million in General Obligation Bonds, Series 1990A, to establish a Capital Projects Fund to provide the source of paying costs of the Capital Program for the Service Boards.

The Series 1990A Bonds mature on November 1 over a 30-year period and interest is payable at rates ranging from 6.00 percent to 7.15 percent on November 1, 1990 and semiannually thereafter on May 1 and November 1 in each remaining year.

Debt service requirements on the Series 1990A Bonds to maturity are set forth below:

	Debt Service Requirements			Principal
Year	Principal	Interest	Total	Maturity
2003	$	4,377,240	4,377,240	
2004		4,377,240	4,377,240	
2005		4,377,240	4,377,240	
2006		4,377,240	4,377,240	
2007		4,377,240	4,377,240	
2008 – 2012	12,275,000	21,043,440	33,318,440	12,275,000
2013 – 2017	27,110,000	13,834,080	40,944,080	27,110,000
2018 – 2020	21,410,000	3,154,680	24,564,680	21,410,000
Total	$ 60,795,000	59,918,400	120,713,400	60,795,000

1991 General Obligation Bonds

In November 1991, the RTA issued $100 million in General Obligation Bonds, Series 1991A, to replenish the Capital Projects Fund and to provide the source for paying costs of the Capital Program for the Service Boards.

The Series 1991A Bonds mature on November 1 over a 30-year period and interest is payable at rates ranging from 4.85 percent to 6.55 percent on May 1, 1992 and semiannually thereafter on November 1 and May 1 in each remaining year.

Debt service requirements on the 1991A Bonds to maturity are set forth below:

Year	Debt Service Requirements			Principal Maturity
	Principal	Interest	Total	
2003	$	3,734,915	3,734,915	
2004		3,734,914	3,734,914	
2005		3,734,916	3,734,916	
2006		3,734,914	3,734,914	
2007		3,734,914	3,734,914	
2008 – 2012	4,090,000	18,674,574	22,764,574	
2013 – 2017	24,960,000	14,176,530	39,136,530	
2018 – 2020	26,695,000	4,615,965	31,310,965	55,745,000
Total	$ 55,745,000	56,141,642	111,886,642	55,745,000

1992 General Obligation Bonds

In June 1992, the RTA issued $188 million in General Obligation Bonds, Series 1992A, to pay the cost of purchasing and reconstructing railcars for Metra. The RTA also issued $30 million in General Obligation Bonds, Series 1992B, to pay the costs of reconstruction, acquisition, repair and replacement of certain public transportation facilities for the Service Boards.

The Series 1992A and 1992B Bonds mature on June 1 over a 30-year period and interest is payable at rates ranging from 5.30 percent to 9.00 percent on December 1, 1992 and semiannually thereafter on June 1 and December 1 in each remaining year.

Debt service requirements on the Series 1992A and 1992B Bonds to maturity are set forth below:

Year	Debt Service Requirements			Principal Maturity
	Principal	Interest	Total	
2003	$ 4,731,364	4,894,495	9,625,859	4,550,000
2004	5,080,000	4,608,334	9,688,334	4,835,000
2005	5,531,818	4,208,481	9,740,299	5,220,000
2006	6,053,636	3,712,221	9,765,857	5,710,000
2007	6,625,455	3,169,161	9,794,616	6,250,000
2008 – 2011	35,832,272	6,047,001	41,879,273	40,185,000
Total	$ 63,854,545	26,639,693	90,494,238	66,750,000

1993 General Obligation Bonds

In June 1993, the RTA issued $55 million in General Obligation Bonds, Series 1993A, to pay the cost of purchasing and reconstructing railcars for Metra. The RTA also issued $55 million in General Obligation Bonds, Series 1993B, to pay the costs of reconstruction, acquisition, repair and replacement of certain public transportation facilities for the Service Boards.

The Series 1993A and 1993B Bonds mature on June 1 over a 30-year period and interest is payable at rates ranging from 4.21 percent to 5.85 percent on December 1, 1993 and semiannually thereafter on June 1 and December 1 in each remaining year.

Debt service requirements on the Series 1993A and 1993B Bonds to maturity are set forth below:

Year	Debt Service Requirements			Principal Maturity
	Principal	Interest	Total	
2003	$ 2,480,000	64,480	2,544,480	2,480,000
Total	$ 2,480,000	64,480	2,544,480	2,480,000

1993 General Obligation Refunding Bonds

In June 1993, the RTA issued $23 million in General Obligation Bonds, Series 1993C, to provide funds to refund in advance of maturity the RTA's outstanding Series 1990A Bonds maturing November 1 in the years 2003-2005 and 2009 in the aggregate amount of $20 million.

The Series 1993C Refunding Bonds mature on June 1 over a 16-year period and interest is payable at rates ranging from 2.75 percent to 5.70 percent on December 1, 1993 and semiannually thereafter on June 1 and December 1 in each remaining year.

Debt service requirements on the Series 1993C Refunding Bonds to maturity are set forth below:

Year	Debt Service Requirements			Principal Maturity
	Principal	Interest	Total	
2003	$ 2,723,182	1,114,870	3,838,052	2,615,000
2004	2,874,091	971,915	3,846,006	2,785,000
2005	3,026,819	818,103	3,844,922	2,925,000
2006	3,199,545	653,118	3,852,663	3,085,000
2007	3,379,545	475,544	3,855,089	3,265,000
2008 – 2009	4,897,725	368,728	5,266,453	7,090,000
Total	$ 20,100,907	4,402,278	24,503,185	21,765,000

1994 General Obligation Bonds

In May 1994, the RTA issued $195 million in General Obligation Bonds, Series 1994A, to pay the costs of purchasing and reconstructing railcars for Metra. Proceeds of Series 1994A Bonds may also be used to purchase new paratransit vehicles for Pace and for rehabilitation of railcars for the CTA. The RTA also issued $80 million in General Obligation Bonds, Series 1994B, to pay the costs of reconstruction, acquisition, repair and replacement of certain public transportation facilities for the Service Boards.

The Series 1994A and 1994B Bonds mature on June 1 over a 30-year period and interest is payable at rates ranging from 3.75 percent to 8.00 percent on December 1, 1994 and semiannually thereafter on June 1 and December 1 in each remaining year.

Debt service requirements on the Series 1994A and 1994B Bonds to maturity are set forth below:

Year	Debt Service Requirements			Principal Maturity
	Principal	Interest	Total	
2003	$ 5,230,000	2,863,250	8,093,250	5,230,000
2004	5,645,000	2,428,250	8,073,250	5,645,000
2005	4,325,000	2,077,025	6,402,025	4,325,000
2006		1,951,599	1,951,599	
2007		1,951,600	1,951,600	
2008 – 2012		9,758,001	9,758,001	
2013 – 2024	24,395,000	7,844,199	32,239,199	24,395,000
Total	$ 39,595,000	28,873,924	68,468,924	39,595,000

In December 1994, the RTA issued $62 million in General Obligation Bonds, Series 1994C, to pay for capital projects of the Service Boards required by the ADA for vehicle rehabilitation and the construction or renewal of support facilities. The RTA also issued $130 million in General Obligation Bonds, Series 1994D, to pay for portions of the CTA's rehabilitation of the Green Line elevated structure, track replacement and repair or replacement of bus supporting services, and for Pace's construction of bus garages and purchase of new buses and paratransit vehicles.

The 1994C and 1994D Bonds mature on June 1 over a 30-year period and interest is payable at rates ranging from 5.30 percent to 7.75 percent on June 1, 1995 and semiannually thereafter on June 1 and December 1 in each remaining year.

Debt service requirements on the Series 1994C and 1994D Bonds to maturity are set forth below:

	Debt Service Requirements			Principal
Year	Principal	Interest	Total	Maturity
2003	$ 3,000,000	6,070,962	9,070,962	3,000,000
2004	3,240,000	5,829,162	9,069,162	3,240,000
2005	3,505,000	5,567,794	9,072,794	3,505,000
2006	3,790,000	5,285,112	9,075,112	3,790,000
2007	4,095,000	4,979,569	9,074,569	4,095,000
2008 – 2012	11,180,000	21,565,537	32,745,537	11,180,000
2013 – 2017	28,170,000	15,775,514	43,945,514	4,255,000
2018 – 2025	22,855,000	2,209,331	25,064,331	46,770,000
Total	$ 79,835,000	67,282,981	147,117,981	79,835,000

1996 General Obligation Refunding Bonds

In January 1996, the RTA issued $151 million in General Obligation Bonds, Series 1996, to provide funds to refund in advance of maturity the RTA's outstanding Series 1994B Bonds, maturing June 1 in the years 2005-2009, 2012, 2015 and 2024, in the aggregate amount of $60 million and Series 1994D Bonds, maturing June 1 in the years 2009-2014 and 2025, in the aggregate amount of $76 million.

The Series 1996 Refunding Bonds mature on June 1 over a 22-year period and interest is payable at rates ranging from 5.125 percent to 5.50 percent on June 1, 1996 and semiannually thereafter on June 1 and December 1 in each remaining year.

Debt service requirements on the Series 1996A Refunding Bonds to maturity are set forth below:

	Debt Service Requirements			Principal
Year	Principal	Interest	Total	Maturity
2003	$ 625,000	8,080,947	8,705,947	625,000
2004	660,000	8,048,019	8,708,019	660,000
2005	2,470,000	7,967,813	10,437,813	2,470,000
2006	2,590,000	7,838,150	10,428,150	2,590,000
2007	2,725,000	7,701,953	10,426,953	2,725,000
2008 – 2012	30,060,000	34,755,389	64,815,389	30,060,000
2013 – 2017	20,560,000	26,295,896	46,855,896	20,560,000
2018 – 2022	48,290,000	19,479,875	67,769,875	4,490,000
2023 – 2025	40,075,000	3,121,020	43,196,020	83,875,000
Total	$ 148,055,000	123,289,062	271,344,062	148,055,000

1997 General Obligation Refunding Bonds

In September 1997, the RTA issued $98 million in General Obligation Bonds, Series 1997, to provide funds to refund in advance of maturity the RTA's outstanding Series 1990A Bonds, maturing November 1 in the years 2001-2002, in the aggregate amount of $4 million, Series 1991A Bonds, maturing November 1 in the years 2002-2006, 2008 and 2011, in the aggregate amount of $29 million, Series 1992B Bonds, maturing June 1 in the years 2015 and 2022, in the aggregate amount of $18 million and Series 1993B Bonds, maturing June 1 in the years 2004-2009, 2013 and 2023, in the aggregate amount of $47 million.

The Series 1997 Refunding Bonds mature on June 1 over a 26-year period and interest is payable at rates ranging from 4.00 percent to 6.00 percent on December 1, 1997 and semiannually thereafter on June 1 and December 1 in each remaining year.

Debt service requirements on the Series 1997A Refunding bonds to maturity are set forth below:

	Debt Service Requirements			Principal
Year	Principal	Interest	Total	Maturity
2003	$ 2,545,000	5,057,725	7,602,725	2,545,000
2004	3,980,000	4,894,600	8,874,600	3,980,000
2005	4,190,000	4,690,350	8,880,350	4,190,000
2006	4,400,000	4,475,600	8,875,600	4,400,000
2007	4,625,000	4,249,975	8,874,975	4,625,000
2008 – 2012	23,090,000	17,198,502	40,288,502	23,090,000
2013 – 2017	18,810,000	11,636,700	30,446,700	18,810,000
2018 – 2022	25,380,000	5,054,400	30,434,400	14,305,000
2023 – 2025	3,550,000	106,500	3,656,500	14,625,000
Total	$ 90,570,000	57,364,352	147,934,352	90,570,000

1999 General Obligation Refunding Bonds

In August 1999, the RTA issued $299 million in General Obligation Bonds, Series 1999, to provide funds to refund in advance of maturity the RTA's outstanding Series 1992A Bonds, maturing June 1 in the years 2015 and 2022, in the aggregate amount of $114 million, Series 1993A Bonds, maturing June 1 in the years 2009 and 2013, in the aggregate amount of $10 million, Series 1994A Bonds, maturing June 1 in the years 2006-2009, 2012, 2015 and 2024, in the aggregate amount of $143 million and Series 1994C Bonds, maturing June 1 in the year 2025, in the aggregate amount of $22 million.

The Series 1999 Refunding Bonds mature on June 1 over a 25-year period and interest is payable at rates ranging from 5.00 percent to 6.00 percent on December 1, 1999 and semiannually thereafter on June 1 and December 1 in each remaining year.

Debt service requirements on the Series 1999 Refunding Bonds to maturity are set forth below:

	Debt Service Requirements			Principal
Year	Principal	Interest	Total	Maturity
2003	$ 615,000	16,669,387	17,284,387	615,000
2004	645,000	16,637,887	17,282,887	645,000
2005	670,000	16,605,012	17,275,012	670,000
2006	5,135,000	16,459,887	21,594,887	5,135,000
2007	5,395,000	16,196,637	21,591,637	5,395,000
2008 – 2012	38,950,000	75,537,844	114,487,844	38,950,000
2013 – 2017	73,915,000	57,823,970	131,738,970	73,915,000
2018 – 2022	128,090,000	31,413,500	159,503,500	128,090,000
2023 – 2025	39,155,000	2,737,431	41,892,431	39,155,000
Total	$ 292,570,000	250,081,555	542,651,555	292,570,000

2000 General Obligation Bonds

In June, 2000, the RTA issued $260 million in General Obligation Bonds, Series 2000A, to pay the costs of construction, acquisition, repair and replacement of certain public transportation facilities for the Service Boards.

The Series 2000A Bonds mature on July 1 over a 30-year period and interest is payable at rates ranging from 5.75 percent to 6.25 percent on January 2001 and semiannually thereafter on July 1 and January 1 in each remaining year.

Debt service requirements on the Series 2000A Bonds to maturity are set forth below:

	Debt Service Requirements			Principal
Year	Principal	Interest	Total	Maturity
2003	$ 3,825,000	16,091,888	19,916,888	3,825,000
2004	4,030,000	15,871,950	19,901,950	4,030,000
2005	4,245,000	15,640,225	19,885,225	4,245,000
2006	4,480,000	15,396,138	19,876,138	4,480,000
2007	4,730,000	15,138,538	19,868,538	4,730,000
2008 – 2012	27,990,000	71,278,901	99,268,901	27,990,000
2013 – 2017	37,255,000	61,669,877	98,924,877	37,255,000
2018 – 2022	50,125,000	48,524,251	98,649,251	50,125,000
2023 – 2027	67,860,000	30,582,788	98,442,788	52,590,000
2028 – 2030	51,830,000	6,874,725	58,704,725	67,100,000
Total	$ 256,370,000	297,069,281	553,439,281	256,370,000

2001 General Obligation Bonds

In April 2001, the RTA issued $100 million in General Obligation Bonds, Series 2001A, to pay the costs of construction, acquisition, repair and replacement of certain public transportation facilities for the Service Boards.

The Series 2001A Bonds mature on July 1 over a 30-year period and interest is payable at rates ranging from 5.0 percent to 6.0 percent on January 2001 and semiannually thereafter on July 1 and January 1 in each remaining year.

Debt service requirements on the Series 2001A Bonds to maturity are set forth below:

	Debt Service Requirements			Principal
Year	Principal	Interest	Total	Maturity
2003	$ 1,465,000	5,758,238	7,223,238	1,465,000
2004	1,535,000	5,684,988	7,219,988	1,535,000
2005	1,610,000	5,608,238	7,218,238	1,610,000
2006	1,695,000	5,527,738	7,222,738	1,695,000
2007	1,785,000	5,442,988	7,227,988	1,785,000
2008 – 2012	10,475,000	25,632,865	36,107,865	10,475,000
2013 – 2017	13,745,000	22,139,738	35,884,738	13,745,000
2018 – 2022	18,090,000	17,654,650	35,744,650	14,065,000
2023 – 2027	23,820,000	11,758,500	35,578,500	27,845,000
2028 – 2031	24,380,000	3,757,500	28,137,500	24,380,000
Total	$ 98,600 000	108,965,443	207,565,443	98,600,000

In March 2001, the RTA issued $38 million in General Obligation Bonds, Series 2001B, to provide funds to refund in advance of maturity the RTA's outstanding Series 1993A Bonds, maturing June 1 in the years 2004-2008, in the aggregate amount of $38 million.

The Series 2001B Refunding Bonds mature on June 1 over a 23-year period and interest is payable at rates ranging from 4.00 percent to 5.50 percent on June 1, 2001 and semiannually thereafter on June 1 and December 1 in each remaining year.

Debt service requirements on the Series 2001B Bonds to maturity are set forth below:

	Debt Service Requirements			Principal
Year	Principal	Interest	Total	Maturity
2003	$ 30,000	2,002,825	2,032,825	30,000
2004	1,340,000	1,968,725	3,308,725	1,340,000
2005	1,410,000	1,899,975	3,309,975	1,410,000
2006	1,485,000	1,827,600	3,312,600	1,485,000
2007	1,555,000	1,755,488	3,310,488	1,555,000
2008 – 2012	1,630,000	8,235,750	9,865,750	1,630,000
2013 – 2017	9,990,000	7,134,051	17,124,051	9,990,000
2018 – 2022	16,035,000	3,340,014	19,375,014	12,465,000
2023	3,775,000	103,813	3,878,813	7,345,000
Total	$ 37,250,000	28,268,241	65,518,241	37,250,000

2002 General Obligation Bonds

In March 2002, the RTA issued $160 million in General Obligation Bonds, Series 2002A, to pay the costs of construction, acquisition, repair and replacement of certain public transportation facilities for the Service Boards.

The Series 2002A Bonds mature on July 1 over a 30-year period and interest is payable at rates ranging from 5.0 percent to 6.0 percent on July 1, 2002 and semiannually thereafter on January 1 and July 1 in each remaining year.

Debt service requirements on the Series 2002A Bonds to maturity are set forth below:

	Debt Service Requirements			Principal
Year	Principal	Interest	Total	Maturity
2003	$ 2,240,000	9,310,938	11,550,938	2,240,000
2004	2,325,000	9,198,938	11,523,938	2,325,000
2005	2,430,000	9,082,688	11,512,688	2,430,000
2006	2,555,000	8,961,188	11,516,188	2,555,000
2007	2,690,000	8,833,438	11,523,438	2,690,000
2008 – 2012	15,780,000	41,982,615	57,762,615	15,780,000
2013 – 2017	20,660,000	37,090,375	57,750,375	20,660,000
2018 – 2022	27,280,000	30,306,300	57,586,300	27,280,000
2023 – 2027	36,150,000	21,117,600	57,267,600	36,150,000
2028 – 2032	47,890,000	8,943,300	56,833,300	47,890,000
Total	$ 160,000,000	184,827,380	344,827,380	160,000,000

In June 2002, the RTA issued $200 million in General Obligation Bonds, Series 2002B, to provide interim funding, as needed for a portion of the costs in connection with the reconstruction and expansion of rapid transit facilities operated by the CTA and to fund other public transportation projects.

The Series 2002B Bonds mature on June 1 over a 17-year period and interest is payable at rates ranging from 3.00 percent to 5.50 percent on December 1, 2002, and semiannually thereafter on June 1 and December 1 in each remaining year.

Debt service requirements on the Series 2002B Bonds to maturity are set forth below:

Year	Debt Service Requirements			Principal Maturity
	Principal	Interest	Total	
2003	$ 8,720,000	10,260,638	18,980,638	8,720,000
2004	8,900,000	9,929,588	18,829,588	8,900,000
2005	9,125,000	9,501,213	18,626,213	9,125,000
2006	9,400,000	9,038,088	18,438,088	9,400,000
2007	9,710,000	8,560,338	18,270,338	9,710,000
2008 – 2012	54,520,000	34,537,226	89,057,226	54,520,000
2013 – 2017	67,705,000	18,018,931	85,723,931	67,705,000
2018 – 2019	31,920,000	1,736,932	33,656,932	31,920,000
Total	$ 200,000,000	101,582,954	301,582,954	200,000,000

The bonds issued by the RTA carry a rating of "AAA" from Standard & Poor's and Fitch IBCA, Inc., and "Aaa" from Moody's Investors Service, Inc., based, in part, on the RTA's having the principal and interest guaranteed by an insurance policy. These rating agencies have indicated that they would have rated the bonds "AA," "AA" and "A1," respectively, without such insurance. These ratings reflect a positive outlook by the rating agencies based on their assessment of the essential nature of the RTA system, its financial position and performance, and public funding support.

All the bonds are recorded as current and long-term liabilities, as applicable, of the governmental activities in the government-wide statement of net assets, and are general obligations of the RTA to which the full faith and credit of the RTA are pledged. The bonds are payable from all revenues and all other funds received or held by the RTA (except amounts in the Joint Self-Insurance Fund and amounts required to be held or used with respect to separate ordinance obligations) that lawfully may be used for retiring the debt.

The bonds are secured by an assignment of a lien on the sales taxes imposed by the RTA. All sales tax receipts are to be paid directly to the trustee by officials of the State. If, for any reason, the required monthly debt service payment has not been made by the RTA, the trustee is to deduct it from the sales tax receipts. If all payments have been made, the funds are made available to the RTA for regular use.

Under the RTA Act, the Service Boards' farebox receipts and funds on hand are not available for payment of debt service.

In the Debt Service Fund, $56,354,697 in investments is available to service principal and interest payments of the RTA's long-term debt as of December 31, 2002.

Note 10. Pension

All eligible employees of the Combined Entities are covered under a pension plan. RTA employees, as well as nonunion employees of Metra and Pace, are covered under the RTA Pension Plan, which is a multi-employer, noncontributory, defined benefit cost sharing plan and trust. The union employees of Metra and Pace are covered under various other plans as are required by their collective bargaining agreements.

The CTA maintains a trusted, single-employer, defined benefit pension plan covering substantially all full-time permanent union and nonunion employees. The Employees' Retirement Plan is governed by the terms of the employees' collective bargaining agreement. The CTA also maintains a separate, non-trusted plan for selected individuals. The Supplemental Retirement Plan, which includes the Retirement Plan for Board Members, and the Supplemental Retirement Plan for selected Officers, Executives, Supervisory and Professional Employees, provides benefits in addition to the Employees' Retirement Plan to management employees in certain employment classifications and Chicago Transit Board members.

The CTA adopted the Governmental Accounting Standards Board's ("GASB") Statement No. 27 ("Statement No. 27"), *Accounting for Pensions by State and Local Governmental Employers*, for its plans. Statement No. 27 requires that the accrued pension liability be calculated as the cumulative difference, including interest, between an employer's required contributions in accordance with the pension plan's actuarially required contribution funding requirements and the actual contributions made by the employer for all fiscal years beginning after December 15, 1986 and through the date of transition.

The RTA Pension Plan adopted the provisions of Statement No. 27 and determined its net provision obligation at transition (January 1, 1997). There was no net pension obligation for the Plan at transition or at year-end.

Note 11. Region-Wide Financial Information

The RTA management has elected to present certain region-wide financial information. The purpose of this information is to provide a total overview of transportation-related operations in the Northeastern Illinois region. This information includes the transportation-related results of the Service Boards' affiliated carriers. Accordingly, this region-wide information is presented in the combining region-wide schedules of revenues and expenditures — budget and actual.

The basic financial statements of RTA and the Service Boards used to prepare the combining statement of revenues and expenses do not include the aggregate of system-generated revenues and costs. The combining region-wide schedules of revenues and expenditures includes the aggregate of all system-generated revenues and costs.

For purposes of the system-generated revenues recovery ratio calculation, the Act requires that the costs used in the calculation include all operating costs consistent with accounting principles generally accepted in the United States of America, with certain allowable adjustments as enumerated in the Act. Costs funded by Federal capital grants are recorded as capital assets, and are excluded from the recovery ratio calculation as required by the Act.

The Act requires that the aggregate of all system-generated revenues equal at least 50 percent of the aggregated costs of providing such public transportation. This concept is described as the "system-generated revenues recovery ratio."

For 2002, the region-wide system-generated revenues recovery ratio is calculated from the combining region-wide schedules of revenues and expenditures — budget and actual (budgetary basis) as follows (in thousands):

System-Generated Revenues Recovery Ratio		Revenues	Expenditures
CTA*	$	504,517	926,924
Metra**		249,373	424,229
Pace***		53,337	133,344
RTA****		13,841	24,392
Total	$	821,068	1,508,889

The region-wide system-generated revenues recovery ratio for 2002 equals 54.42 percent.

* The system-generated revenues recovery ratio for the CTA included leasehold revenues of $26,395 and excluded CTA expenditures for security costs of $14,729. It also included in-kind services of $22,000, both as revenues and expenditures.
** With respect to Metra, $9,023 of capital farebox financing was included in revenues. Metra's $5,000 security costs, $13,057 costs for lease of transportation facilities and $2,881 for funded depreciation to carriers were deducted from expenditures.
*** Pace included in-kind services of $2,552, both as revenues and expenditures.
**** The RTA added back to its revenues $684 of unrealized loss on swap valuation.

These are allowable adjustments for the revenues recovery ratio computation per the Act. These adjustments are reflected in the region-wide information.

Note 12. Reconciliation of Government-Wide to Region-Wide Revenues and Expenditures

The RTA's government-wide financial statements do not include fiduciary fund financial statement information that is added in the region-wide presentation. As also stated in Note 11, in-kind services are added in the system-generated revenues and expenditures.

The following data (in thousands) reconciles the combining government-wide to region-wide schedules of revenues and expenditures:

In thousands	RTA	CTA	Metra	Pace
Government-wide revenues *(page 29)*	$ 356,866	1,512,695	782,751	163,128
Sales tax agency fund	587,181			
Pension trust fund	729			
In-kind services		22,000		2,552
Unrealized loss on swap valuation	684			
Region-wide revenues *(page 30)*	$ 945,460	1,534,695	782,751	165,680
Government-wide expenditures *(page 29)*	678,188	1,401,290	601,575	161,861
Sales tax agency fund	587,181			
Pension trust fund	3,010			
In-kind services		22,000		2,552
Security costs		(14,729)	(5,000)	
Lease of transportation facilities	$		(13,057)	
Depreciation	(759)		(2,881)	
Region-wide expenditures *(page 30)*	$ 1,267,620	1,408,561	580,637	164,413
Net revenues *(expenditures)*	$ (322,160)	126,134	202,114	1,267

Note 13. Subsequent Events

On January 8, 2003, the RTA issued General Obligation Bonds, Series 2003B, in the amount of $150 million. The proceeds from the bonds will be used to pay costs of construction acquisition, repair and replacement of certain public transportation facilities, and to pay Cost of Issuance of the Series 2003B Bonds.

On April 15, 2003, the RTA issued General Obligation Bonds, Series 2003A, in the amount of $260 million. The proceeds from the bonds will be used to pay costs of construction acquisition, repair and replacement of certain public transportation facilities, and to pay Cost of Issuance of the Series 2003A Bonds. Also on April 15, 2003, the RTA issued General Obligation Refunding Bonds in the amount of $19.055 million. The proceeds from the refunding bonds will be used to pay when due or refund in advance of their maturities a portion of the RTA's outstanding General Obligation Refunding Bonds, Series 1993C and to pay Cost of Issuance of the Series 2003C Bonds.

On March 12, 2003, the CTA issued Capital Grant Receipts Revenue Bonds, Douglas Branch Project in the amount of $207.2 million in anticipation of the receipt of grants from the federal government pursuant to a full funding grant agreement. The bonds were issued to provide funds to finance a portion of the costs of the extensive rehabilitation of eight rail stations and five miles of track as well as the installation of signal and communications equipment, the traction power system and various infrastructure improvements that together constitute the Douglas Branch Reconstruction Project.

On March 31, 2003, The CTA issued Public Building Commission of Chicago Building Revenue Bonds in the amount of $119.02 million. The bonds are payable from and secured by lease payments to be made by the CTA to the Commission pursuant to a lease to be entered into between the Commission and the CTA for real property and a facility to be constructed thereon and, certain furniture, fixtures and equipment.

COMBINING GOVERNMENT-WIDE SCHEDULES OF REVENUES AND EXPENDITURES

Year Ended December 31, 2002 (in thousands)	RTA Government-Wide Funds	Service Boards: Chicago Transit Authority	Service Boards: Commuter Rail Division	Service Boards: Suburban Bus Division	Combining Adjustments: Debit	Combining Adjustments: Credit	Total Combined
Revenues							
Service Boards operating revenues	$	420,925	240,350	50,785	1,985		710,075
RTA financial assistance		441,632	238,955	79,052	759,639		
Other public funding		35,197	151,130	2,129			188,456
Capital grants		482,638	125,152	31,162	351,041		287,911
Sales taxes	97,153					550,533	647,686
Interest on sales taxes	68						68
Public Transportation Fund	165,665						165,665
State assistance	67,455						67,455
Investment income	21,650						21,650
Program revenues and other	4,875				3		4,872
Leasehold revenue		26,395					26,395
Interest revenue from leasing transactions		105,908	18,141				124,049
Capital farebox financing			9,023				9,023
Total Revenues	$ 356,866	1,512,695	782,751	163,128	1,112,668	550,533	2,253,305
Expenditures							
Operating		964,449	445,167	130,792		1,352	1,539,056
Depreciation		331,340	138,267	31,069			500,676
Financial assistance to Service Boards	209,106					209,106	
Capital grants—discretionary	31,096					31,096	
Capital grants—bonds	319,945					319,945	
Insurance	4,852						4,852
Administrative expenses	6,510						6,510
Regional expenses	15,071					636	14,435
Technology program expenses	3,570						3,570
Bond-related expenses	88,038						88,038
Interest expense from leasing transactions		105,501	18,141				123,642
Total expenditures	$ 678,188	1,401,290	601,575	161,861		562,135	2,280,779
Net Revenues (Expenditures)	$ (321,322)	111,405	181,176	1,267	1,112,668	1,112,668	(27,474)

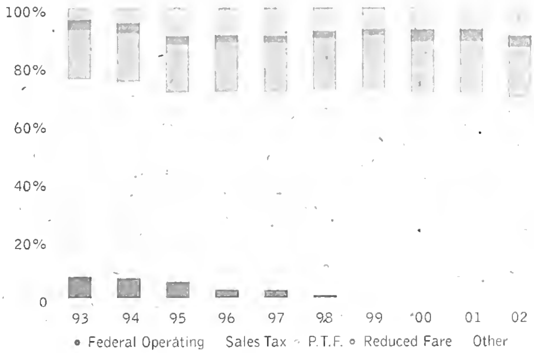
Note 1 Changes in net assets shown on page 4 and net revenues (expenditures) shown on this page are similar.

Note 2 Government-wide to Region-wide revenues and expenditures shown on page 29 and 30, respectively, are reconciled in Note 12.

Year Ended December 31, 2002

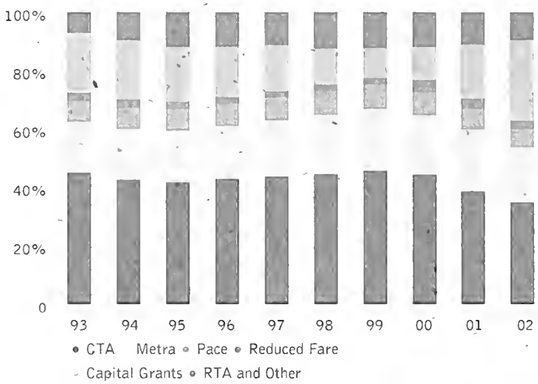
In thousands	RTA Government-Wide and Fiduciary Funds	Service Boards			Combining Adjustments		Total Combined	Total Region-Wide Budget
		Chicago Transit Authority	Commuter Rail Division	Suburban Bus Division	Debit	Credit		
Revenues								
RTA financial assistance	$	441,632	238,955	79,052	759,639			
Other public funding			151,130	2,129			153,259	
Capital grants		482,638	125,152	31,162	351,041		287,911	
Interest revenue from leasing transactions		105,908	18,141				124,049	
Sales taxes	647,686						647,685	692,000
Public Transportation Fund	165,665						165,665	173,000
State assistance	67,455						67,455	57,499
State reduced fare reimbursement	36,260				36,260			
Pension contribution	6,875				6,875			
Investment income	7,290				3		7,287	
Interest on sales taxes to Service Boards	388				388			
Subtotal	$ 931,619	1,030,178	533,378	112,343	1,154,206		1,453,311	922,499
Investment income	8,217						8,217	4,449
Other revenues	4,872						4,872	7,692
Interest on sales taxes	68						69	200
Service Boards revenues		456,122	240,350	50,785	2,379		744,878	771,733
Add:								
In-kind services		22,000		2,552			24,552	24,552
Leasehold revenue		26,395					26,395	4,262
Capital farebox financing			9,023				9,023	
Unrealized loss on swap valuation	684						684	9,591
Subtotal	$ 13,841	504,517	249,373	53,337	2,379		818,690	822,479
Total Revenues	$ 945,460	1,534,695	782,751	165,680		1,156,585	2,272,001	1,744,978
Expenditures								
Pension and other employee benefits		44,796					44,796	
Depreciation		331,340	138,267	31,069			500,676	
Interest expenses from leasing transactions		105,501	18,141				123,642	
Operating grants to Service Boards	759,639					759,639		
Capital grants—discretionary	31,096					31,096		
Capital grants—bonds	319.945					319,945		
State reduced fare reimbursement	36,260					36,260		
Regional expenses	7,862					1,030	6,832	
Bond-related expenses	88,038						88,038	
Interest on sales taxes to Service Boards	388					388		
Subtotal	$ 1,243,228	481,637	156,408	31,069		1,148,358		763,984
Operating expenses		919,653	445,167	130,792		3,072	1,492,540	1,496,473
Administrative expenses	6,510					686	5,825	5,362
Regional expenses	15,071						15,071	16,332
Technology program	3,570						3,570	3,333
Add (Subtract):								
In-kind services		22,000		2,552			24,552	24,552
Security costs		(14,729)	(5,000)				(19,729)	(14,729)
Lease of transportation facilities			(13,057)				(13,057)	(2,697)
Depreciation	(759)		(2,881)				(3,640)	(2,535)
Subtotal	$ 24,392	926,924	424,229	133,344		3,757	1,505,132	1,526,091
Total Expenditures	$ 1,267,620	1,408,561	580,637	164,413		1,152,115	2,268,546	1,526,091
Net Revenues (Expenditures)	$ (322,160)	126,134	202,114	1,267	1,156,585	1,152,115	3,455	218,887

RTA Revenue by Source



Last 10 Years In thousands	Federal Operating Assistance	Sales Tax	Public Transportation Fund	Reduced Fare	Other	Total
12 Months Ended 12/31/93	$ 49,421	$ 462,393	$ 115,771	$ 23,410	$ 28,332	$ 679,327
Percentage of Total	7.27%	68.07%	17.04%	3.45%	4.17%	100%
12 Months Ended 12/31/94	49,475	497,698	124,002	24,861	38,997	735,033
Percentage of Total	6.73%	67.71%	16.87%	3.38%	5.31%	100%
12 Months Ended 12/31/95	43,128	513,301	129,866	22,520	78,165	786,980
Percentage of Total	5.48%	65.23%	16.50%	2.86%	9.93%	100%
12 Months Ended 12/31/96	21,598	532,304	133,044	20,435	73,978	781,359
Percentage of Total	2.76%	68.13%	17.03%	2.61%	9.47%	100%
12 Months Ended 12/31/97	21,591	555,496	139,093	19,243	79,935	815,358
Percentage of Total	2.65%	68.13%	17.05%	2.36%	9.81%	100%
12 Months Ended 12/31/98	6,746	576,704	144,846	19,837	66,980	815,113
Percentage of Total	0.83%	70.75%	17.77%	2.43%	8.22%	100%
12 Months Ended 12/31/99	0	613,514	153,343	19,386	63,632	849,875
Percentage of Total	0.00%	72.19%	18.04%	2.28%	7.49%	100%
12 Months Ended 12/31/00	0	650,284	162,247	38,759	71,947	923,237
Percentage of Total	0.00%	70.44%	17.57%	4.20%	7.79%	100%
12 Months Ended 12/31/01	0	653,522	164,987	39,531	71,741	929,781
Percentage of Total	0.00%	70.29%	17.74%	4.25%	7.72%	100%
12 Months Ended 12/31/02	0	647,685	165,665	36,260	95,166	944,776
Percentage of Total	0.00%	68.55%	17.53%	3.84%	10.07%	100%

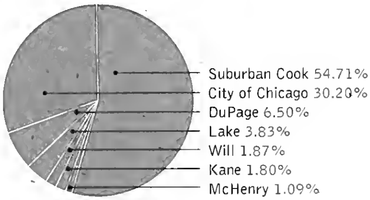
Distribution of Expenditures (All Funds)



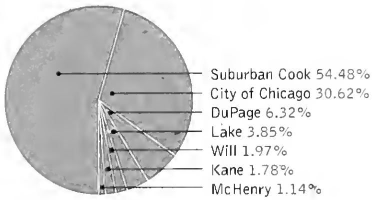
Last 10 Years In thousands	Financial Assistance CTA	Metra	Pace	Total	Reduced Fare	Capital Grants	RTA and Other	Total
12 Months Ended 12/31/93	$ 367,599	$ 142,248	$ 58,697	$ 568,544	$ 23,409	$ 167,170	$ 58,482	$ 817,605
Percentage of Total	44.96%	17.40%	7.18%	69.54%	2.86%	20.45%	7.15%	100%
12 Months Ended 12/31/94	365,200	148,638	62,129	575,967	24,861	174,128	82,658	857,614
Percentage of Total	42.58%	17.33%	7.24%	67.15%	2.90%	20.30%	9.65%	100%
12 Months Ended 12/31/95	365,005	154,592	65,198	584,795	22,520	164,266	104,659	876,240
Percentage of Total	41.66%	17.64%	7.44%	66.74%	2.57%	18.75%	11.94%	100%
12 Months Ended 12/31/96	372,479	158,042	66,496	597,017	20,435	149,215	103,587	870,254
Percentage of Total	42.80%	18.16%	7.64%	68.60%	2.35%	17.15%	11.90%	100%
12 Months Ended 12/31/97	377,198	166,083	67,337	610,618	19,243	136,680	97,701	864,242
Percentage of Total	43.64%	19.22%	7.79%	70.65%	2.23%	15.82%	11.30%	100%
12 Months Ended 12/31/98	377,265	172,198	69,100	618,563	19,837	103,859	106,464	848,723
Percentage of Total	44.45%	20.29%	8.14%	72.88%	2.34%	12.24%	12.54%	100%
12 Months Ended 12/31/99	384,810	177,784	70,482	633,076	19,386	86,913	103,443	842,818
Percentage of Total	45.66%	21.09%	8.36%	75.11%	2.30%	10.31%	12.28%	100%
12 Months Ended 12/31/00	402,126	184,559	71,772	658,457	38,759	102,806	108,546	908,568
Percentage of Total	44.26%	20.31%	7.90%	72.47%	4.27%	11.32%	11.94%	100%
12 Months Ended 12/31/01	419,005	230,343	75,002	724,350	39,531	201,548	120,351	1,085,780
Percentage of Total	38.59%	21.21%	6.91%	66.71%	3.64%	18.56%	11.07%	100%
12 Months Ended 12/31/02	441,632	238,955	79,052	759,639	36,260	351,041	121,439	1,268,379
Percentage of Total	34.82%	18.84%	6.23%	59.89%	2.86%	27.68%	9.57%	100%

Sales Tax Revenue Source by County/City of Chicago

2001



2002



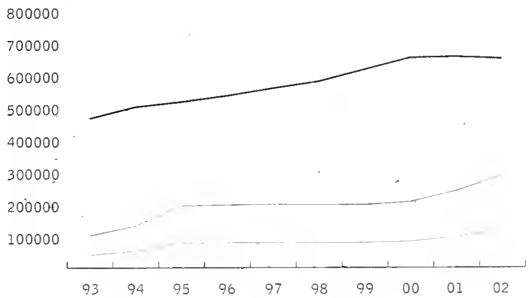
Last 10 Years In thousands	City of Chicago	Suburban Cook County	DuPage County	Kane County	Lake County	McHenry County	Will County	Total
12 Months Ended 12/31/93	$ 148,334	$ 253,591	$ 28,060	$ 7,278	$ 14,341	$ 4,026	$ 6,763	$ 462,393
Percentage of Total	32.08%	54.84%	6.07%	1.57%	3.10%	0.87%	1.46%	100%
12 Months Ended 12/31/94	157,802	273,398	30,568	8,006	15,819	4,541	7,564	497,698
Percentage of Total	31.71%	54.93%	6.14%	1.61%	3.18%	0.91%	1.52%	100%
12 Months Ended 12/31/95	160,301	282,898	32,230	8,546	16,770	4,735	7,821	513,301
Percentage of Total	31.23%	55.11%	6.28%	1.66%	3.27%	0.92%	1.52%	100%
12 Months Ended 12/31/96	165,051	292,319	34,370	9,044	17,929	5,096	8,495	532,304
Percentage of Total	31.01%	54.92%	6.46%	1.70%	3.37%	0.96%	1.60%	100%
12 Months Ended 12/31/97	163,366	313,113	36,482	9,301	18,980	5,329	8,925	555,496
Percentage of Total	29.41%	56.37%	6.57%	1.67%	3.42%	0.96%	1.61%	100%
12 Months Ended 12/31/98	176,816	314,886	39,278	10,011	20,413	5,760	9,540	576,704
Percentage of Total	30.66%	54.60%	6.81%	1.74%	3.54%	1.00%	1.65%	100%
12 Months Ended 12/31/99	187,966	333,513	41,764	10,761	22,238	6,528	10,744	613,514
Percentage of Total	30.64%	54.37%	6.81%	1.75%	3.62%	1.06%	1.75%	100%
12 Months Ended 12/31/00	199,056	354,307	42,741	11,589	23,985	6,942	11,664	650,284
Percentage of Total	30.62%	54.48%	6.57%	1.78%	3.69%	1.07%	1.79%	100%
12 Months Ended 12/31/01	197,370	357,522	42,498	11,796	25,017	7,122	12,197	653,522
Percentage of Total	30.20%	54.71%	6.50%	1.80%	3.83%	1.09%	1.87%	100%
12 Months Ended 12/31/02	195,417	353,999	40,961	12,256	24,913	7,373	12,766	647,685
Percentage of Total	30.17%	54.66%	6.32%	1.89%	3.85%	1.14%	1.97%	100%

Legal Debt Capacity

2002	Balance Outstanding at December 31, 2002	Maximum Issued	
Legal Debt Margin			
Debt Limitation per RTA Act for General Obligations			$ 2,080,000,000
Debt Applicable to Limitation			
Non-SCIP Bonds			
1990A General Obligation Bonds	$ 60,795,000		
1991A General Obligation Bonds	55,745,000		
1992B General Obligation Bonds	9,190,000		
1993B General Obligation Bonds	1,240,000		
1993C General Obligation Refunding Bonds	21,765,000		
1994B General Obligation Bonds	10,255,000		
1994D General Obligation Bonds	44,360,000		
1996 General Obligation Refunding Bonds	148,055,000		
1997 General Obligation Refunding Bonds	90,570,000		
2002B General Obligation Bonds	200,000,000		
Total Non-SCIP Bonds Applicable to Limitation	$ 641,975,000		(641,975,000)
SCIP Bonds			
1992A General Obligation Bonds	$ 57,560,000	$ 188,000,000	
1993A General Obligation Bonds	1,240,000	55,000,000	
1994A General Obligation Bonds	29,340,000	195,000,000	
1994C General Obligation Bonds	35,475,000	62,000,000	
1999 General Obligation Refunding Bonds	292,570,000		
2000 General Obligation Bonds	256,370,000	260,000,000	
2001A General Obligation Bonds	98,600,000	100,000,000	
2001B General Obligation Refunding Bonds	37,250,000		
2002A General Obligation Bonds	160,000,000	160,000,000	
Total SCIP Bonds Applicable to Limitation	$	$ 1,020,000,000	(1,020,000,000)
Total SCIP Bonds Outstanding	$ 968,405,000		
Total Bonds Outstanding	$ 1,610,380,000		
Debt Margin for General Obligations			$ 418,025,000
Debt Limitation per RTA Act for Working Cash Notes			100,000,000
Total Legal Debt Margin			$ 518,025,000

Comparison of Sales Tax Revenue to Debt Service Requirement

1993–2002
In thousands



As defined in the Bond and Note General Ordinance, ordinance 85-39, Section 909 (3), revenue test required that all RTA revenues "shall equal or exceed two and one-half (2.5) times the maximum annual debt service requirements." In the graph presented above, the RTA compares 2.5 times debt service requirement to sales tax revenues, a major RTA revenue. In effect, the RTA employs a more stringent benchmark than the revenue test defined in the ordinance.

Comparison of Sales Tax Revenue to Debt Service Requirement

Revenue Test: Sales tax must be 2.5 times greater than debt service requirement.

In thousands	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
Sales Tax Revenue	$462,393	$497,698	$513,301	$532,304	$555,496	$576,704	$613,514	$650,284	$653,522	$647,685
Debt Service Requirement	39,909	51,978	76,550	77,639	78,359	77,883	77,866	81,676	95,187	113,526
2.5 Times Debt Service Requirement	99,773	129,945	191,375	194,098	195,898	194,708	194,665	204,190	237,968	283,815

Note: Differences, if any, between debt service amounts presented above and amounts presented in the accompanying financial statements represent timing differences between payments made to trustees and payments made to bondholders. Also, investment income earned in the debt service accounts may lower actual cash transfers from the General Fund.

Ratio of Annual Debt Service Requirements for General Obligation Bonds to Total Expenditures

Last 10 Years
In thousands

Year	Debt Service Requirements: Principal	Interest	Total	Total Expenditures	Ratio of Debt Service to Total Expenditures
1993	$ 6,896	$ 33,013	$ 39,909	$ 817,605	4.88%
1994	7,350	44,628	51,978	857,614	6.06%
1995	10,289	66,261	76,550	876,240	8.74%
1996	13,113	64,526	77,639	870,254	8.92%
1997	13,898	64,461	78,359	864,242	9.07%
1998	16,124	61,759	77,883	848,723	9.18%
1999	16,988	60,878	77,866	842,818	9.24%
2000	22,949	58,727	81,676	908,568	8.99%
2001	19,805	75,382	95,187	1,085,780	8.77%
2002	27,262	86,264	113,526	1,268,379	8.95%

Federal Allocation of Capital Funds to Northeastern Illinois

Sections 5309, 5307 and Title 1 including CMAQ and STP (formerly Sections 3, 9 and 23, respectively)

Last 10 Calendar Years
In millions

Federal Fiscal Year	Total Awarded	Chicago Transit Authority	Commuter Rail Division	Suburban Bus Division
1993	$ 175.43	$ 99.75	$ 63.98	$ 11.70
1994	237.20	141.92	77.33	17.95
1995	228.97	127.83	82.80	18.34
1996	233.97	131.92	84.48	17.57
1997	228.42	127.56	80.28	20.58
1998	252.95	142.97	88.17	21.81
1999	299.59	162.67	111.49	25.43
2000	336.65	177.17	132.89	26.59
2001	355.47	184.46	145.75	25.26
2002	430.08	225.42	174.29	30.37
Total	$ 2,778.73	$ 1,521.67	$ 1,041.46	$ 215.60

Service Board Operating Characteristics

2002

Chicago Transit Authority

Rapid Transit
- 7 rail routes
- 144 stations served
- 1,190 rapid transit cars
- 12.7 million riders per month

Motor Bus
- 142 bus routes
- 1,964 buses
- 25.3 million riders per month

Paratransit
- 130 thousand riders per month

Metra Commuter Rail Division

- 546 route miles
- 1,189 miles of track
- 228 stations
- 130 locomotives
- 780 passenger cars
- 223 electric cars
- 705 weekday trains operated
- 96.1 percent on-time performance
- 6.4 million riders per month (excluding 79 percent South Shore)

Pace Suburban Bus Division

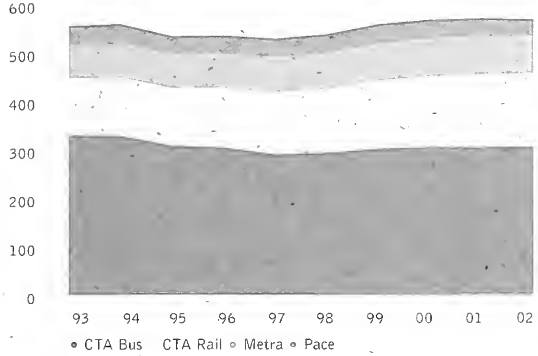
Fixed Route
- 166 regular routes
- 61 feeder routes
- 5 subscription routes
- 14 shuttle routes
- 604 vehicles in use during peak periods
- 2.4 million riders per month

Paratransit
- 56 local services
- 356 Pace-owned lift-equipped buses in service
- 210 communities served
- 122 thousand riders per month

Other
- 440 vanpools in operation
- 99 thousand riders per month

System Ridership

1993–2002
In millions



Unlinked Passenger Trips

Last 10 Years
In millions

	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
Service Consumed										
CTA – Bus	328.1	327.3	307.3	303.3	288.8	291.7	300.2	303.3	303.1	304.8
CTA – Rail	118.5	120.9	119.3	124.0	130.0	132.4	141.7	147.2	151.7	152.4
Total CTA	446.6	448.2	426.6	427.3	418.8	424.1	441.9	450.5	454.8	457.2
Metra	69.9	72.0	70.4	70.6	72.3	74.5	76.6	78.8	79.2	76.8
Pace	38.3	38.6	37.2	37.5	37.9	39.3	40.2	38.6	37.0	34.8
System Total	554.8	558.8	534.2	535.4	529.0	537.9	558.7	567.9	571.0	568.8
Percent Change	(8.0%)	0.7%	(4.4%)	0.2%	(1.2%)	1.7%	3.9%	1.6%	0.5%	(0.4%)

Financial Results of Purchased Services Agencies

The following is a summary of the financial results, as reported to the Service Boards, of each transportation agency, which had a purchase of service agreement with a Service Board or received financial grants or financial assistance from a Service Board during 2002.

In thousands		Operating Revenues	Operating Expenditures	Operating Deficit	Service Board Funding	Other Public Funding
CTA						
Art's Transportation Co.	$	231	5,605	(5,374)	5,374	
Cook-DuPage Transportation Co.		664	16,079	(15,415)	15,415	
SCR Transportation		384	9,309	(8,925)	8,925	
Taxi Access Program		421	3,616	(3,195)	3,195	
Total CTA	$	1,700	34,609	(32,909)	32,909	
Metra						
Union Pacific	$	59,728	125,376	(65,648)	65,648	
Burlington Northern/Santa Fe		35,653	48,653	(13,000)	13,000	
Northern Indiana Commuter Transportation District (NICTD)		3,351	6,932	(3,581)	3,581	
Total Metra	$	98,732	180,961	(82,229)	82,229	
Pace						
Summary of Services						
Public Funded Carriers – Fixed Route	$	1,324	2,635	(1,311)	1,311	
Private Contract Carriers – Fixed Route		3,320	8,067	(4,747)	4,747	
Total Fixed Route Service	$	4,644	10,702	(6,058)	6,058	
Private Contract Carriers						
Dial-a-Ride Services	$	492	5,070	(4,578)	3,165	1,413
Dial-a-Ride and Stable Services		1,402	9,924	(8,522)	8,522	
Total Private Contract Carriers		1,894	14,994	(13,100)	11,687	1,413
Paratransit – Municipal Carriers		628	5,808	(5,180)	1,248	3,932
Total Pace	$	7,166	31,504	(24,338)	18,993	5,345
Pace						
Detail of Services						
Public Funded Carriers – Fixed Route						
City of Highland Park	$	365	935	(570)	570	
Village of Niles		441	1,129	(688)	688	
Village of Downers Grove		518	571	(53)	53	
Total	$	1,324	2,635	(1,311)	1,311	
Private Contract Carriers – Fixed Route						
Colonial Coach Lines	$	133	542	(409)	409	
Keeshin Transportation		748	2,283	(1,535)	1,535	
Laidlaw Transit		1,558	3,243	(1,685)	1,685	
Mid America Coach Lines		80	380	(300)	300	
Ryder Student Transportation		246	995	(749)	749	
Village of Schaumburg		103	173	(70)	70	
Cook County School Bus		452	451	1	(1)	
Total	$	3,320	8,067	(4,747)	4,747	
Private Contract Carriers – Dial-a-Ride Services						
Addison	$	3	39	(36)	8	28
Barrington		1	59	(58)	31	27
Bloomingdale Township		27	358	(331)	225	106
Central Lake		10	146	(136)	82	53
Central Will		69	595	(526)	361	164
Downers Grove		1	163	(162)	102	60

Pace Detail of Services, Continued
In thousands

	Operating Revenues	Operating Expenditures	Operating Deficit	Service Board Funding	Other Public Funding
Private Contract Carriers – Dial-a-Ride Services, continued					
DuPage County Non-ADA	$ 11	86	(75)	75	
DuPage Township	11	154	(143)	106	37
Elk Grove	27	285	(258)	72	187
Freemont Township	1	7	(6)		6
Hampshire Township	1	15	(14)	10	4
Hanover Township	6	19	(13)	(3)	15
Hometown	2	17	(15)	5	11
Leyden Township	27	294	(267)	48	220
McHenry Township	197	1,501	(1,304)	1,103	200
Milton Township	10	174	(164)	106	58
Naperville/Lake	3	18	(15)	15	
Northeast Lake-Warren	23	327	(304)	165	139
Northeast Lake-Zion	17	285	(268)	239	29
Northwest Lake	3	49	(46)	46	
N. Suburban Cook Non-ADA	21	281	(260)	260	
Robbins	2	10	(8)	(1)	10
South Cook	4	25	(21)	21	
Southwest Lake-Cuba	1	4	(3)	2	2
Southwest Lake-Wauconda	6	27	(21)	11	10
Southwest Will	1	24	(23)	13	10
Village of Bloomingdale	1	16	(15)		15
Wayne Township	6	92	(86)	65	22
Total	$ 492	5,070	(4,578)	3,165	1,413
Private Contract Carriers – Dial-a-Ride and Stable Services (ADA Services)					
DuPage County	$ 78	473	(395)	395	
Elgin					
Kane County	55	601	(546)	546	
North Suburban	246	2,484	(2,238)	2,238	
Northeastern/Central Lake	74	906	(832)	832	
South Cook	502	3,728	(3,226)	3,226	
Southwest/Central Will	21	294	(273)	273	
West Cook	426	1,438	(1,012)	1,012	
Total	$ 1,402	9,924	(8,522)	8,522	
Paratransit – Municipal Carriers					
Aurora	$ 29	356	(327)	68	259
Batavia	4	47	(43)	12	31
Bensenville	30	290	(260)	53	207
Berwyn/Cicero	17	191	(174)	26	148
Bloom	26	279	(253)	71	182
Crestwood	8	69	(61)	21	40
Dundee	7	76	(69)	17	52
Ela	30	175	(145)	50	95
Elgin	17	86	(69)	50	19
Forest Park	11	129	(118)	29	89
Fox Lake	3	9	(6)	3	3
Frankfort	12	130	(118)	23	95
Harvard	12	98	(86)	31	55
Lemont	5	58	(53)	12	41
Lyons	17	224	(207)	47	160
Norridge	20	73	(53)	28	25
Oak Park	24	265	(241)	57	184
Orland Park	29	283	(254)	55	199

Pace Detail of Services, Continued In thousands		**Operating Revenues**	**Operating Expenditures**	**Operating Deficit**	**Service Board Funding**	**Other Public Funding**
Paratransit – Municipal Carriers, continued						
Palatine	$	10	128	(118)	23	95
Palos Hills		15	75	(60)	21	39
Park Forest		27	226	(199)	66	133
Peotone		22	191	(169)	51	118
Rich Township		74	515	(441)	46	395
Schaumburg		68	879	(811)	151	660
St. Charles		14	129	(115)	21	94
Stickney		18	211	(193)	50	143
Tinley Park		7	65	(58)	18	40
Vernon		5	97	(92)	18	74
Woodstock		57	305	(248)	103	145
Worth Township		10	149	(139)	27	112
Total	$	628	5,808	(5,180)	1,248	3,932

PRODUCED BY THE COMMUNICATIONS AND FINANCE DEPARTMENTS OF THE REGIONAL TRANSPORTATION AUTHORITY

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